ECONOMICS FOR CHILDREN

[Lessons based on Marx's 'Capital']

Telugu Original

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SWEET HOME PUBLICATIONS

76, Lake-side Colony, Jubilee Hills post,

HYDERABAD – 500 033

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ECONOMICS FOR CHILDREN
[Lessons based on Marx's 'Capital']
By Ranganayakamma

Pages: 472
[in Royal demmy size
with Hard Bound]

First Print: August, 2015

Price: Rs. **150**

ISBN: 81-87515-06-7

Page Makeup: M. Sarada

Drawings:
Chintada Appala Raju
Drawing Teacher,
Vizianagaram.

Printing:
Charita Impressions,
1-19-1126/B,
Azamabad Industrial Estate,
Hyderabad-500020.
[Phone: 040-27678411]

Binding:
Y.V. Reddy Binding Works,
Moosaram Bagh,
Hyderabad-36.
[Phone: 040-65162429]

For Copies:
Sweet Home Publications,
76, Lakeside Colony,
Durgam Cheruvu Area,
Jubilee Hills post,
Hyderabad-500033.
[Mobile: (0) 9948283810]
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Preface

[To the First Telugu edition of December 2009]

I began writing this book only for children.

These are the children hailing from standards 7, 8 to 10.

From childhood, children need games, songs, stories and many more things. Though the stories are full of fantasies and superstitions, the children must also receive scientific facts along with these. Science is a knowledge which elucidates the real matters with proofs regarding the nature that we exist in and the society that we live in.

Children are innocent. They learn and trust in what is told to them by the elders at home and at school. The elders will convey to their children what they have learnt from their elders. They teach the children only what they were taught. Children or adults, they will start to think only when they receive scientific knowledge.

One need not learn all the aspects of science related to Nature. Every person need not thoroughly learn the medical sciences. It would suffice if they are familiar with the routine hygiene principles to practice on a daily basis. When ailments descend on people, the clinicians will take care of the diseases. Every person need not have the medical knowledge as much as clinicians do. This also applies to the other natural sciences.

However, this is not the case with the science that teaches us regarding the society that we live in. We are human beings, not animals. The animals are born and are dead the same way as they were born. They do not need any kind of science or knowledge. The human being, however, must know about human relations. The Economic Science explains relations among humans and their ways of living. This is the science that portrays the lives of yesterday, today and tomorrow. Every person must be aware of this knowledge.

There used to appear a monthly magazine for children called '***Nani***' (Editor: N.K. Babu). I had originally started these lessons for that magazine. At that time I planned to describe only up to the concept of 'money'. Only the first eight lessons of this book appeared in that magazine. The magazine, however, stopped subsequently due to financial problems. I, nevertheless, completed this book to describe the other lessons as well to children.

But, such a big book for children? Can the children understand the last lesson in this book? I myself was besieged with these doubts at times. I had to write the lessons in greater detail with a view that this book is meant for children. Since this book is meant for children, the font size is much larger. Illustrations appear at many places. Also questions and answers. In the final lessons news clippings too were inserted. For these reasons, the book has enlarged in size. The lessons, however, are short.

Without the lessons being this size, it would not be possible to comprehend this science in the minimum.

There will be many levels among children. This is not a problem for the children who are habituated to reading and who have an interest in learning. There will not be a problem in understanding things that contain logic.

It would suffice if the titles of the lessons, the terminology and the characters described in the lessons fall on the ears and minds of the children. It would suffice if at least the children get to know that there exists a science such as this. They will read again if they do not understand a lesson once. It all depends on their interest. If adults help a little, wherever children need, there won't be any problem.

However, when learning an unfamiliar science, adults too are same as children. Even among adults, 99% of them are not aware of the science that teaches regarding the society. One must read Marx's '***Capital***' for this. This is, however, impossible to start with. I therefore wrote '***An Introduction to Marx's Capital***' in the past. The adults may read this book without much difficulty. The present book, however, will serve as a primer prior to the other books. I have kept in mind also those adults who are scared and lethargic of Marx's '***Capital***'. The adults must also read the books of the children, and must learn. And must teach the children.

Ranganayakamma

17-11-2009

A Note on Translation

This translation is based on the Telugu original ***Pillala Kosam Ardhika Sastram*** (*Economics for Children*), which appeared originally in December 2009 and underwent three editions subsequently.

A note on this translation is necessary since the source language (Telugu) and the receptor language (English) are 'genetically' as well as 'culturally' unrelated and 'structurally' different.

The differences in syntax (grammar) and semantics (vocabulary including culture-specific words, idioms etc) of these two languages pose certain problems to the translators.

The grammatical features that pose problems are: articles, prepositions, auxiliaries, tense and aspect, voice, tag questions, conjunctions, word order, sentence length and sentence types.

One specific feature of the original is that it does not contain even a single passive-voice sentence whereas the translation, at some places, is not free from the passive voice.

The problems usually faced in the sphere of vocabulary are: Collocations, figurative expressions, cultural terms, idioms etc.

Figurative expressions posed major problem. Wherever we had equivalents in English, direct or indirect, we used them. Whenever we could not find equivalents, we resorted to literal translations of some language-specific expressions, with the expectation that the conceptual worlds

of speakers of different languages overlap at least in certain areas and hence the literally translated source language expressions will be comprehensible to a reasonable extent. Yet, in some 'difficult' situations, we substituted the figurative expressions of the Source language by non-figurative expressions of the Receptor language.

In the case of plant and animal worlds, we retained the source language names since the Botanical and Zoological terminologies may not be intelligible to non-specialist readers. In such cases and also in certain specific cultural contexts,we reproduced the Source language words in *italics*.

We retained the proper names that are specific to Telugu situation, though they sound 'alien' to non-Telugu readers. We did not prefer using English proper names as they sound more alien to the users of Indian languages. Language-specific proper names can, of course, be used when this book is translated into other Indian languages. [For instance, the Hindi translation of this book which is under preparation contains Hindi-specific proper names. The Tamil translation of this book is also under preparation and both those translations are likely to appear shortly.]

R. Udaykumar has translated ninety percent of the lessons while **V.S. Ravi** and I have done the remaining ones.

Once the translation of a lesson was over, I compared the translation,sentence by sentence, with the Telugu original and made modifications wherever I felt necessary, after discussing with the original writer. **Our main concern and priority have been not merely reproducing the essential meaning of the original text but also the individual style of the original writer.** (*By style, we mean*

the specific manner in which the writer presents her ideas, intentions, attitudes and so on.) In this process, there might have occurred some changes, which may not retain or present the scholarship and the translation abilities of the respective translators fully. However, before beginning the translation, they had generously agreed to tolerate my interference. I justify my interference with the help of the concept of 'World English**es**', which imply that one can allow the influence of the First or the Source language substratum including the nature of the style of the writer while translating.

After my comparison and necessary modifications, I presented each draft of the translation of each lesson to **Dr.P. Sreelakshmi**, proficient both in Telugu and English, and who taught English Literature for many years in India.

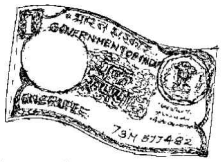
Sreelakshmi read the translated drafts with great care and patience and made useful corrections and suggestions to improve the overall quality of the translation. I incorporated those corrections and suggestions after discussions with the writer. I carried out almost all the grammatical as well as lexical corrections. However, it was not possible to carry out a few corrections regarding style, where either the writer or I felt such corrections might not convey the style of the original.

Despite useful suggestions of the English language expert, the present translation may still have shortcomings due either to my oversight or my personal choices with regard to the suggestions made. Hence, I am responsible, not the language experts or the translators, for the shortcomings that may still remain.

B.R. Bapuji

June, 2015

1. What is 'Money'?



Children!

Boys and Girls!

Do you know what 'money' is? Let us learn about it now!

What we see as money is a small, round coin, or a small piece of paper! We give that, and buy pencils, pens, biscuits, books, and many things. If we give money, we can get anything, can't we? So, "Why do we get things for money? What is money? " – Did you ever get these doubts? You might not have ever got them. Even elders do not get these doubts. How, then, will children get them?

Ask the elders in your house, or your teachers at school, "What is money?" Listen to what they say!

They will say, "Money is that with which we buy things. Money is that which is useful for buying things." They will tell you only that much. Will you know 'what money is' with that answer? That answer is not enough.

Ask again, "Why do we get things if we give money? Money is a small coin, or a small piece of paper, isn't it? What's there in it? Can't we get things without giving that piece of paper? The other day aunt brought some sweets. We took them without giving money, didn't we? To buy things with money, how do we get money? How do all people get money? Why do they get it? From where do they get it?" Ask some more questions like this!

Neither your mothers nor fathers will be able to give proper answers to any of these questions. Even your teachers will not be able to answer. They cannot answer, because they do not know those things. If they know, they will not hide the answer, will they? They cannot answer since they do not know about it. But, they do not accept the fact. They will not say, "We don't know about it." They say the same thing again and again as if they know everything. "How

can we get things without giving money? Will we get them for free? Don't you know this much? What a great question!" – They will shoot down your questions with arguments like this.

In fact elders should be surprised if children ask such questions. "How true! We have not thought about it all these days. Money is just a small piece of paper, isn't it? Why should we get things if we give it?" – They should be surprised again and again like this. They too should get interested in knowing what money is.

But, they will not have any of those wonders. Laziness in general! Too lazy to even wonder! Too lazy to think! Too lazy to use their brains!

As a matter of fact, there is nothing new for us to think about money now. People in the past had thought all about it. It is enough if we know about it! If we want to know what money is, we have to know how money acquired the quality to buy things. Before that, we need to know what a 'thing' is. Money is also a 'thing'. Therefore, we should learn about the 'thing' first. We have to read many lessons to learn about money.

Questions and Answers

[At the end of every lesson, there will be 'Questions and Answers'. But in this very first lesson, you will find only questions but not answers. Answer these questions yourselves! You need to answer after a little thinking.]

1. 'What is money?'— Have you ever got this question? If so, did you ask any one?
2. While reading this lesson have you thought of knowing what money is? Have you, then, asked your elders?

3. If you had asked them, what did they say?
4. Do you always have some money with you?
5. Have you ever lost money that you kept in your pocket or box? Did you tell your elders at home about it?

★

2. What are ‘things’?

We have said that money is also a thing. But, it does not mean that we already knew what money is. First, we have to see what ‘things’ are.

Things are those, which human beings make. Those which human beings do not make but found in nature are not things.

Is ‘air’ a thing? – No. It is found in nature, without human beings having made it. We have to call it a ‘natural substance’.

Is ‘earth’ a thing? – No. Human beings did not make it. There are hills, rivers, and oceans on earth. Those are all natural objects. If the trees in the forests have fruits and nuts, did people make them? No, right? So, all such things are natural substances.

We have to call only those things that humans make as ‘things’. This book that we are reading is a thing. People made this. All the clothes on our bodies are things. The chairs and benches that we sit on; the beds that we sleep on; the pens and pencils we write with; the rice and curries that we eat; the houses that we live in; the schools we go to; the vehicles, bicycles, buses, trains that we travel in; not just this, not just that; all these are things, since it is the humans who make them.

Every day, we live by making many things and using them. There was a time when all these things were not there. There were people even then, but they did not know how to make things. There were no things whatever at that time.

On land, grasses and trees of many kinds take a root and grow by themselves. Those trees bear fruits and nuts. Fish grow in ponds and rivers. There are chickens, rabbits, deer, and other animals in forests.

At a time when humans were not aware of making things, they did not have clothes. They used to roam around nakedly, just like animals. Since there were no houses, they used to live under trees, in the caves found here and there in the hills. As there

were no rice and curries, they used to live by picking fruits and nuts from trees and eating them. They used to catch fish found in ponds with hands and eat the raw fish. There were no things like nets to catch fish. They did not even know how to make fire yet. So they did not even know how to grill fish or vegetables. Just like animals, human beings of that time used to eat grass and the like. After living like animals for a long time, gradually they learned to hunt animals. Discovered fire. They learnt to grill roots, fish, and meat. In accordance with the needs, they began works like making clay pots and carried on making various kinds of articles. Clothes to cover bodies came only because of making things like that. Similarly, there came houses to live in. A variety of cooked dishes came. Shoes for feet, and books to read came. Why this and that – all the articles that we use came.

But, do you know how they make things? We have to see that now.

Questions and Answers

[Hereafter, you will find answers below the questions. Do not see the answer below the questions immediately! First, think yourself about the answer! Only then see the answer given below the question. If there is any mistake in your answer, correct it! Do the same thing in the subsequent lessons also.**]**

1. What is an article?

A. Anything that human beings make is an article.

2. What is earth? Is it an article?

A. It is not an article. It is not something which human beings made. The 'earth' exists in nature naturally.

3. What is 'nature'?

A. That which already exists without being made by human beings.

4. Mention some natural substances other than earth and air.

A. Trees and animals in the forest; fish in the sea; clouds in the sky; metals inside the earth.

5. What are Sun, Moon and Stars?

A. They are natural objects.

6. What is meant by 'human beings'?

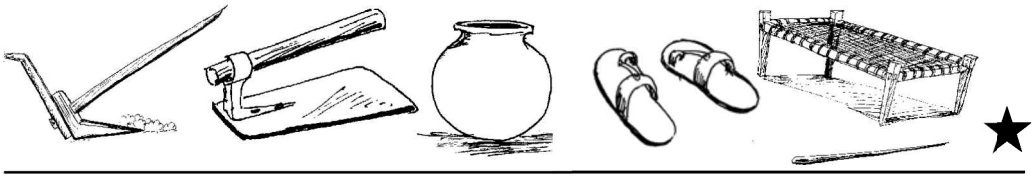
A. Human beings are also part of nature.

7. Mention some articles.

A. Book, pen, clothes, shoes, houses, cooked rice, blanket.

8. Think about the difference between an 'article' and the 'land'!

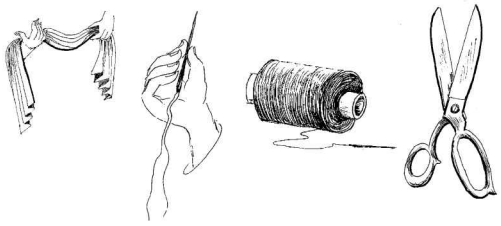
A. An article becomes useless after some time. Land (earth) remains forever.



3. How do human beings make 'things'?

We have to pick something as an example. Shall we pick a 'shirt'? Shirt is a thing, isn't it? How do they make it?

First, we need to have 'cloth'. Is that all? Is cloth enough? Will a shirt be ready just from cloth? No. We need a 'needle', we need 'thread', and we need 'buttons'. We need 'scissors' to cut the cloth.



Okay, let us keep the cloth, the needle, the thread, and the scissors in one place. Let us sit away from them. Let us not look in that direction for some time. If we look at them after a while, will a shirt be ready? It will not happen like that. All the things we put there will remain exactly the same. They will be in the same place where we put them.

So, what else do we need to make a shirt? We also need a 'human being'. That person should know how to cut the cloth, and should know how to stitch a shirt.

Let us say Parvathi knows pretty well how to do all those things. If we ask her to stitch a shirt, what will that girl do? According to the measurements necessary for the shirt, she will

first cut the cloth using the scissors. Will that happen without the scissors? No. The scissors ought to be there. After cutting the cloth, it has to be stitched into a shirt. First, the thread has to be inserted into the needle. People who do not know how to stitch also do not know how to thread a needle. They can stitch only if they can thread a needle. The stitching can be done by hand, or using a sewing machine. To stitch using a sewing machine, we need to have a sewing machine.

Let us say Parvathi merely knows how to stitch by hand. She has finished stitching the cloth into a shirt by hand. She has also stitched the buttons of that shirt. After all this is over, she straightened the shirt and folded it nicely. The new shirt is complete like that. It is a newly made thing. It is a 'finished product'. Now we can use it.

Now describe how the shirt was made! For the shirt to be made, we need the cloth, the needle, the thread, and the scissors, right? What are all these? All of them are also things themselves. All these were made before the shirt. They were made the same way the shirt was made now. Would the shirt be made without them? Will the shirt be ready without the clothes, the needle, the thread and the scissors? The new product can be made only when all the old things that are necessary for making the new product are readily available.

Based on their use, the old things have different names. First of all, we need the 'cloth' to make the shirt, right? For making the shirt, the cloth is 'raw material'. We call it raw material because….Do we wear the cloth? No, we don't. It is yet to be made into a shirt. Only then can we wear it. So, it is 'raw material' as long as it remains as cloth. Not just the cloth: all things that are in a shirt are raw materials. The thread is used here and there in the shirt. The buttons are sewn to the shirt. All of them together, have become a shirt, haven't they? All the old things that became part of the new

raw material

product are raw materials for the new product.

Well, then, what about the 'scissors'? What about the 'needle'? Are these also sewn to the shirt? No, they aren't. After the job of cutting the cloth is over, the scissors is put away from the cloth. In the same way, after the job of stitching the shirt is over, the needle comes out of the shirt. Neither the scissors nor the needle stay inside the shirt. Therefore, these are not raw materials. Things like these have another name. They are called 'tools'.

tools

These are the tools for doing work. The scissors are a tool for cutting. The needle is a tool for stitching. These things have different names as well, such as 'instruments' or 'implements'. All those names mean the same.

What have we learnt so far? What are all the things necessary to make a shirt? We need 3 types of items:

1. We need raw materials (cloth, thread and buttons.)
2. We need tools (scissors and needle)
3. We need a person who does the work of stitching.

(Does that mean we need Parvathi? Not necessarily Parvathi herself. We need someone who can do the same job).

If we look at the shirt that is ready, we can see the raw materials in it, but we cannot see the tools. As the tools are not in the shirt, we cannot see them in the shirt. The work that was done to make the shirt will also be visible. Cutting of the cloth and stitching it into a shirt will be visible. But the person who did all that work will not be visible.

Who did the job of cutting? Did Parvathi do it, or the scissors? Who did job of stitching? Did Parvathi do it, or the needle? Think about it!

Questions and Answers

1. What is a 'shirt'?
A. It is a **thing.**

2. Does a thing have another term?
A. Yes. We can also call it a **'product'** or an **'article'.**

3. What do we need to make a shirt? What are they?

A. Cloth, scissors, needle, thread and buttons. These are also things. They were made much before the shirt. All the things that are necessary to make a thing (a product or an article) may be called 'means of production'.

4. Who made those articles and where?

A. That we do not know.

5. Cloth is necessary for making a shirt. Cloth, then, is raw material. But, when cloth is made into a shirt, it is a 'finished' article, isn't it? Then, how could it be raw material?

A. When cloth is made, it is a 'finished' article. But do we wrap cloth around our body? It should change into a garment, shouldn't it? Cloth turning into a shirt implies that an article which was already produced is now turning into another article. An article which has to change into another article is raw material.

6. What is the raw material of a shirt — cloth, thread or cotton?

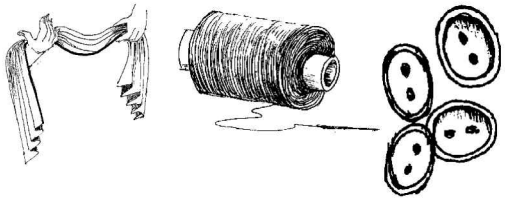
A. Since a shirt is made of cloth, cloth itself is raw material for the shirt. It is irrelevant for the shirt to know the raw material of the cloth. In the process of producing a shirt, cloth is the raw material. The raw material for the cloth is thread/ yarn. The raw material for the yarn is cotton.

7. What is 'scissors'? Is it a finished article or not?

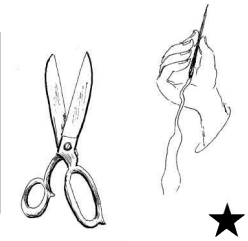
A. Scissors — is a tool. This is a finished product. This will not turn into another article. Every tool is a finished article.

8. Three kinds of things are necessary to make a new article. What are they?

A. (1) Raw Materials. (2) Tools. (3) Human beings, who do that work.



Raw materials, Tools together constitute 'means of production'.



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4. Who stitched the shirt?

Did Parvathi cut the cloth, or did the scissors do it?

Did Parvathi stitch the shirt, or did the needle do it?

Have you thought about it?

Are you thinking, "What are these questions? Such easy questions?"

True, these are very easy questions. But even elders do not know the answers for these questions. Even great intellectuals do not know the answers. In the past, nobody knew the answers to these questions. Now, some people, but not all of them, know the answers.

It was Parvathi, and not the scissors, who did the job of cutting the cloth. Similarly, it was Parvathi, and not the needle, who did the job of stitching the shirt. Parvathi used the scissors and the needle as tools in her work. But it was Parvathi who did all the work.

But, some unwise persons might say: "Tools also do the work. In any job, the tools work along with the human beings." What do they say as to how to understand the making of a shirt? They say that we should understand it as follows: Parvathi and the scissors together did the job of cutting the cloth, and Parvathi and the needle together did the job of stitching the shirt". But if we understand it like that, it is totally wrong.

If any job is done, it is human beings who do it. Tools are necessary for doing the work. In the hands of the people who do the work, the tools are useful and necessary for doing the job. But, that does not mean that they do the work as human beings do. If we put the scissors down, and sit at a distance, will the scissors get up and cut the cloth? The scissors will not move unless a human being holds them. The scissors move only when the person moves them. This means that it is the human being that does the work and not the scissors.

But there is **a question**: Can Parvathi do the job of cutting without the scissors, just by using her hands? No. We have

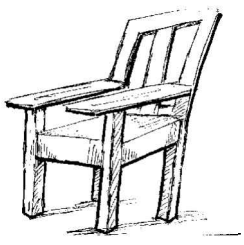
said that the tools are also necessary for doing the job.

To do any work, there has to be a person who does the work, and there have to be the tools necessary for doing the work. Both are necessary. But we should not think that both do the work just because both are necessary. It is the human beings who do the work. Not the tools.

Not just the job of cutting, it is the same for the job of stitching. It is Parvathi that stitched the shirt, not the needle. If you leave a needle at some place, will it get up by itself, thread itself, and stitch a shirt? It doesn't happen that way, does it? Only when a human being picks it up, the needle gets into that person's hand. Threading the needle, stitching the shirt with the needle - all these jobs are performed by the human being; not by the needle and thread.

However, Parvathi wouldn't be able to sew the cloth without a needle, with her bare hands. If there is no needle, there has to be a thorn, or at least a small stick of a broom. If she stitches the shirt with a thorn, then the thorn itself becomes a tool. Parvathi will not be able to stitch the shirt with just her bare hands, without any such tool. It means, in order to do any work, there has to be some tool that is necessary for doing that work. The work will not be done without a person or without the necessary tools. But, for any work to be done, it is the human beings that do the work; not the tools. This means, it is incorrect to say that the 'tools also do the work'. Only if we understand this point correctly can we correctly understand other points that we are going to see later.

So far, we have seen only the shirt example. Shall we consider some other thing? Let us consider 'chair'. Chair is also a thing, isn't it? It is human beings who make chairs and they do not fall from the sky like rain drops, do they? As another product, let us look at the chair.

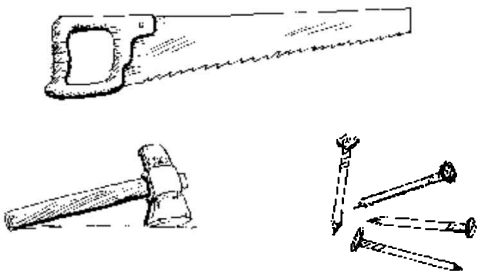


What do we need to make a chair? What is the raw material for a chair? The raw material is whatever the chair is made of. The raw material becomes a chair. A chair can be made from a metal sheet, wood, bamboo, plastic, or a number of other things.

Let us look at a wooden chair. If wood is converted into a chair, the wood itself is the raw material, isn't it? Some other things are also necessary as raw materials. Nails and glue are necessary. Nails dig into pieces of wood and hold them together. Glue tightly binds pieces of wood to each other. The nails and glue become part of the chair. Therefore, they are also raw materials. All of them together become a chair. If we *paint* the chair, as the paint also gets to be part of the chair, the paint also becomes raw material. If it is an unpainted chair, we need not consider the paint. It is not necessary.

Well, we have seen the raw materials for the chair. What, then, are the tools necessary for making the chair? First, we need a saw to cut the wood into pieces. Then, we need a file to scrape the wooden pieces and make them smooth. We need a hammer to drive the nails into the pieces of wood. Like this, some types of tools are necessary for building a chair.

So what do you call the work of making a chair?



Questions and Answers

1. There are three sentences here. Which one of them is correct? (1) Scissors cut the cloth. (2) Parvathi and scissors together cut the cloth. (3) Parvathi cut the cloth.

A. The Last sentence is correct.

2. What do scissors do?

A. Scissors does not do any work. It is not the tool which does the work.

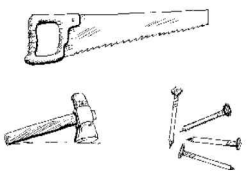
3. Why are tools necessary?

A. They are useful for human beings to work with.

4. To do any work, we need 2 things. What are they?

A. (1) Human beings who do that work.
(2) Raw materials and tools necessary to do that work.

5.



Are these raw materials or tools?
A: Nails are raw materials. Hammer and saw are tools.

★

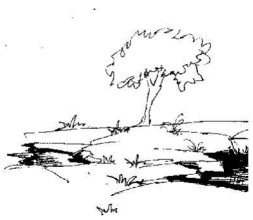
5. Raw material of the raw material!

What do you call the job of making a chair? Cutting and sewing are the jobs necessary for making a shirt, right? There is also a term for the job of making things from wood. It is 'carpentry'.

Let us say a person named Sivayya, taking pieces of wood into his hands, worked using a lot of tools, and a chair was ready in the end. Earlier, in the case of the shirt, we asked ourselves a question. We asked, 'who stitched the shirt, Parvathi or the needle?' Likewise, in the case of the chair, we have to ask ourselves a similar question and answer it. Did Sivayya make the chair, or did the saw and the hammer make the chair? Or, does it mean that tools and Sivayya did all the work together? Sivayya did all the work to make the chair. The tools move whichever way Sivayya moves them, but they do not do anything by themselves. It is Sivayya that made the chair, not the saw, not the hammer.

Well now let us see one more point: the main raw material for the chair that Sivayya made is 'wood', isn't it? Well, then, how was that wood made? Who made it? What did they make it with? What is the raw material for the wood?

Do you know how we get the 'wood'? We get wooden planks if you chop down a tree. So, is the tree the raw material for the wooden planks? To know if it is the raw material or not, we have to know how the tree had grown and if anyone had nurtured the tree. Which means, we have to first know whether that tree grew by itself in the forest, without any help from human beings? Or, did human beings do lot of work to let the tree grow? From this we will be able to know about the raw material.



If it is a tree that had grown by itself in the forest, it cannot be considered as raw material.

Then, the tree is a natural object. Raw materials are only those things that are produced as a result of human labour. A tree in the forest is not some thing that humans make; it germinates and grows by itself from seeds that naturally exist in the ground. If a person named Venkanna chopped down such a tree into wooden planks, it means that he did all that work on a naturally existing object and it does not mean that he did all that work on raw material.

But, consider a tree in an orchard. To grow a tree in the orchard, people should do a lot of work. First, the ground has to be loosened with tillers, shovels and pickaxes. After that, only when people do a lot of labour for years, such as planting the seeds, watering periodically, removing the weeds, fertilizing the soil, and removing the pests, only then, do the trees grow in the orchard. If a tree grown by humans is chopped down into planks, then that tree is raw material for the planks. It is because that tree is one which grew due to a lot of work done by people and because it is not a naturally existing object.

If the work of chopping is done on a tree in the forest, that tree should not be considered as raw material. That tree is a naturally existing object. If the same work is done on a tree cultivated in an orchard, then that tree can be considered as raw material.

The raw materials for making a chair are wooden planks, right? The source of those wooden planks can either be raw material called 'orchard tree', or a naturally existing object called 'forest tree'. We cannot get wooden planks without some such source. We get wooden planks by chopping down some trees.

Let us consider a tree in the forest. How did it come? – It grew from the land.

What is that land? Is it 'raw material'? – No. We shouldn't forget the fact that raw material is some thing which humans make. Did any one make the forest? Did anyone make the earth? Nobody

made them. Therefore, land is not raw material for trees that grow from it. The earth, the hills, and the forests are all naturally existing objects. Nobody produced them.

Let us consider the tree in an orchard. Human beings nurtured this tree, didn't they? And they did it on the land, didn't they? Is land raw material for this tree? No. Even in this case, land cannot be a raw material. If people had to till the earth to loosen the soil, the earth had already been there before the act of tilling took place. No one did make the earth. Tilling is work done to grow the trees; it is not work done to make the earth.

Like land in the forest, land in an orchard is also a naturally existing object. Land cannot be the raw material in any context. It cannot be, because land cannot change into the tree like the cloth changes into the shirt or the wood changes into the chair. Land can never be the raw material.

What, then, is the raw material for the tree? Are the seeds the only raw material for the tree? – Think about it!

Questions and Answers

1. What is the raw material for the chair?

A. Whatever material that is used to make a chair will be its raw material. It may be a wooden plank, tin sheet, plastic, bamboo, or some thing else.

2. What is meant by raw material? Is it something which human beings made or is it a natural substance?

A. Raw material is something which human beings make. We should not consider a natural substance as raw material. Only when humans do some work on a natural substance, it becomes raw material.

3. There is a tree in the forest. A person pulled the branch of that tree and turned it into wooden planks. Will that tree be the raw material of those planks?

A. No. That tree is in the forest and it is a natural substance. It is not something which humans made. Hence it is not the raw material for those wooden planks.

4. What if someone makes a chair with those planks?

A. Those planks will be the raw materials for that chair, since a person made those wooden planks.

5. A tree in a forest is a natural object, isn't it? Then, why can't we consider wooden planks which were taken from the tree as natural objects?

A. A substance is considered as a natural substance only when it exists in the form in whch it was found in the nature originally. If humans alter it even a little, it is no longer a natural substance. A tree in a forest is a natural object. But the wooden planks are not natural objects since it is a person who made them.

6. Is there any such example?

A. Tubers in the forest grounds are natural substances. But if a person plucks them out, they are no longer natural substances.

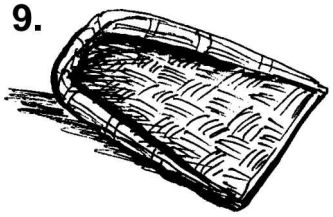
7. What is the raw material for the tree in an orchard? Is soil its raw material since it grew in the soil?

A. No. Soil (earth) is not the raw material to any thing. Many trees grow on the face of earth. Many activities take place on the ground. Yet earth is not raw material.

8. What is this?

A. Forest and hill. These are natural substances / objects.

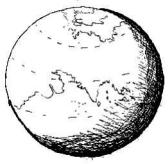
9.



What is this?

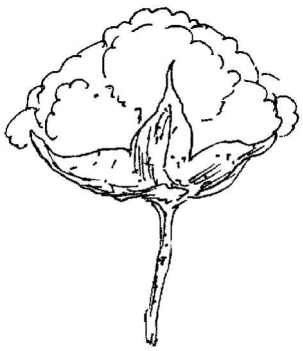
A. It is a tool necessary to do the work of winnowing.

10.



What is this?

A. Natural substance.



11. Is this a natural substance or an object?

A. We cannot answer this without knowing how it grew. If it had blossomed on a tree in the forest, it is a natural substance. If it had grown in an orchard or the backyard of a house by means of human labour, then it is an object: a living object.

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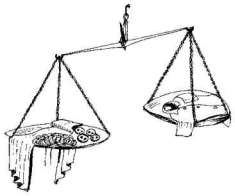
6. What is the raw material for the ‘tree’?

If we make a new object using some raw material, will the weight of the new object be more, or less, or equal to the weight of the raw material?

We made a shirt using some cloth, some thread, and a few buttons. Will the weight of the shirt be more, or less, or equal to the weight of those raw materials? – It will be less. It is because small pieces of cloth will be lost as scrap while cutting the cloth. In the same way, some pieces of thread are also lost as scrap from the thread. In the case of the buttons, there is nothing to be lost from them. They weigh the same irrespective of whether they are outside the shirt or part of the shirt. But, as some scraps are lost from the cloth and the thread, the weight of the shirt will be less than the weight of the raw material used to make the shirt.



Not just in the case of the shirt. Same is the case with any other thing. For instance, take the chair! In the process of making the chair from the wood, a lot of sawdust is lost from the wood. Even though the weight of the nails hammered into the wood remains the same, the weight of the chair will be less than that of the raw materials used to make the chair, since some saw dust is lost from the wood.

The shirt and the chair – things like these are inanimate objects. In the case of objects like these, the raw materials are clearly seen. The weight of the products will be less than the weight of the raw materials used to make them.

But things like trees, birds, animals are not inanimate objects. If they grow in the forest without any connection with the human beings, then they are naturally existing objects; they are not products. But, if humans raise them, they are ‘products’. They are living objects. They are products that have life. In the

case of living objects like these, there is no scope for the word 'raw materials'. Here, the word 'raw materials' is not appropriate. It is not applicable.

Let us consider the 'tree'. What is the raw material to grow the tree? Is it the seed? No. If we consider the seed to be the raw material, this situation has to be similar to that of the shirt. Just as the weight of the shirt is less than weight of the cloth, the weight of the tree should be less than that of the seed. But, it does not happen like that here. Compared to the weight of the seed, the weight of the tree is a thousand times, or even hundreds of thousands of times heavier. Therefore, we can not consider the seed to be the raw material.

In fact, for the seed to germinate into a plant, or for the plant to grow into the tree, the seed alone is not sufficient. Along with it, fertility of the soil, water, air, sunlight – all these are necessary. The plant takes root and grows only if all these things are available.

As all these things are necessary for the tree to take root and grow, should we, then, think that all these things are raw materials for the tree? – That is also not possible, because we have to compare it with the shirt in this aspect as well. Once the raw material is converted into a new product, the role of the raw material is over. New raw material is not necessary again and again for the same product. When cloth changes into a shirt, do we need new cloth again and again for the shirt? – Not necessary. But, the case of the 'tree' is not the same. After it germinates from the seed, for it to grow, things like water, air, and sunlight are necessary every day. Does the tree not need those things after it has grown fully? We can't say so. Irrespective of how big the tree grows, it still needs water, sunlight and everything regularly. The tree will die if it does not get those things. This means, things like air and water are food substances the tree needs regularly for growing and living, but they are not things that are necessary just once, for the tree to take root. Hence they are not raw materials. The seed, water, air, or things like that, they are all necessary for the tree's growth. But we should not call them raw materials.

The word 'raw materials' is

only appropriate in case of inanimate things like shirt, chair, etc. It does not apply to living things like trees, birds, or animals.

Products that are made without raw materials:

Even in the case of inanimate objects, some activities do not involve raw materials. We will now see some such activities and the things they produce. There is 'coal mine' under the ground. If we want that coal, we will have to dig it up from the mine. If we dig the earth, and take the coal out, the coal is an inanimate object. So, what is the raw material that was first used to make that inanimate object? – Nothing. The coal inside the Earth is naturally there. To take it out, we just need to dig it out; no raw material is necessary for doing so.

In extracting natural substances like roots, minerals, and oils from the earth; in obtaining fruits, trees, birds and animals from the forests; in obtaining things from rivers and oceans: there are no raw materials involved in activities like this. This means, raw materials are involved in only certain activities and work, but not all of them. But, 'tools' are necessary in all kinds of work. Tools are necessary not only for work that involves raw materials, but also for work that does not involve raw materials: they are necessary for all kinds of work.

So, are raw materials and tools sufficient for making products? Is it not necessary to have other things – things that are neither raw materials nor tools? Are any such things necessary? Think about it!

Questions and Answers

1. An Article is made afresh. Raw materials and tools were used in the making of that article. Will the weight of that new article depend on the raw materials or tools?

A. The weight of a new article depends on its raw materials only. The new article will be less in weight compared to its raw materials. It has nothing to do with the weight of its tools. Tools are never present in the article.

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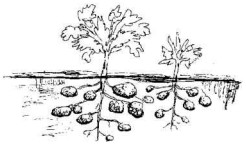
2. A small plant has grown out of a seed. For the further growth of that plant natural fertility of the soil, water, sunlight, air and fertilizers will

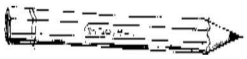
help. If we are able to weigh all these elements, will the weight of the tree be more or less or equal to that of those elements?

A. If we consider only the seed, the weight of a tree is a million times more than the weight of its seed. But, if we are able to weigh all the elements due to which the tree grew, the weight of the tree and the weight of those elements will be equal. The weight of the tree does not increase without the addition of other elements. Even if a minute particle adds itself to the tree, its weight increases.



3. Are these roots natural substances or not?

A. We can answer this question only if we know whether or not this plant had grown due to human labor.



4. Is this a natural substance?

A. No, it is an object made by humans.

5. What is this?

A. It is an article. It is a needle. ★

7. Auxiliary materials

There are two differences between raw materials and tools.

(1) If a shirt is made from cloth, the cloth itself is converted into the shirt. Even the thread used to stitch the shirt becomes part of the shirt. Similarly, if a chair is made from wood, the wood itself becomes part of the chair. Even the nails become part of the chair. But the 'tools' are not like that. Neither the scissors that are used to cut the cloth nor the needle used to stitch the shirt become part of the shirt. They do not remain in the shirt. Tools used in making a chair, like the hammer, the saw or the knife, things like these do not become part of the chair. – This is the first difference between raw materials and tools.

(2) When a shirt is stitched from raw materials like cloth and thread, the shapes of those raw materials change. A sheet of cloth does not remain as a sheet of cloth. A ball of thread does not remain as a ball of thread. Their shape changes into the shape of the shirt. In the same way, when a chair is made from wooden

planks, the shape of the planks changes into the shape of the chair. The same is the case with any other raw material. But, the same is not the case with tools. The shape of the tools does not change by the time the new product is finished. They retain their earlier shapes. After cutting the cloth, the scissors remain as scissors. After making the chair, the hammer remains as a hammer. Same is the case with the plough, loom, saw, or any other tool - no matter how old they are, their shapes remain the same as ever. – This is the second difference between raw materials and tools.

Based on these differences, we can understand what things are raw materials and what things are tools when a new product is being made.

We need raw materials and tools in order to make products, don't we? But these two types of things are not sufficient for making some products. Another kind of things are also necessary. They are called 'auxiliary materials'. It means, they are helping substances. These are neither raw materials nor tools. But, these are also necessary for making certain products. We can understand what these are if we first go into the kitchen and observe the things necessary for 'cooking'.

What are the things necessary for cooking rice? First, we need the 'rice'. We need 'water' to boil the rice in. The two of them together become cooked rice. It means rice and water are the raw materials for 'cooked rice'.

What else do we need for cooking? – We need 'vessels'. We need an 'earthen stove'. These are the tools.

Is that all? Will the cooked rice be ready if we have the raw materials and tools? – Not just yet. Don't we need firewood for

burning in the earthen stove? The firewood burns and turns into ash for the rice on the stove to boil. So what is this firewood? Is it raw material? – No. Since it does not become part of the rice, it is not raw material. So, is firewood a tool? – No. Its shape does not remain unchanged, does it? The shape of firewood changes when it burns. Therefore it is also not a tool.

So, what is firewood? What category does it belong to? We have to call it 'auxiliary material' or 'helping material'. Instead of firewood, we can cook with kerosene, natural gas, or electricity. Whatever is necessary for generating the heat is an auxiliary material. It is neither a raw material not a tool.

Before cooking, we need to clean the rice with water, right? What is that water? Is it raw material? No. The water that is poured into rice for boiling the rice is raw material, but the water used to clean the rice is not raw material. It goes out. Yet, we need that water to clean the rice. Therefore, it is an auxiliary material. If we boil the rice without cleaning it, then it means that there is no auxiliary material.

Let us say, we have to wash unclean dirty dishes. What are the raw materials in this work of washing unclean dishes? What are the tools? What are the auxiliary materials? – The work of washing is performed on unclean dishes themselves. Therefore, the unclean dishes themselves are the raw materials. Next to the unclean dishes, we need to keep some water in a bucket or a pot. We have to wash the dishes with that water. The bucket or the pot are the tools necessary for washing the dishes. The ash, coarse bran and soap that are necessary for washing the dishes are auxiliary materials. The water used to wash the dishes is also an auxiliary material. Once the scrubbing and washing are complete, the dishes become clean dishes. The clean dishes are new products made from the work of washing the dishes. For the work of washing the dishes, there are raw materials, tools, and auxiliary materials.

In the work of washing the clothes, the clothes are raw materials. Buckets are the tools. The stone used to rub the clothes is a tool. Soap and water are auxiliary materials. The strings and clips used while drying the clothes are tools. The clean clothes are the new products made from the work of washing the clothes.

In the work of sewing by hand, there will only be raw materials and tools. There is no need for auxiliary materials.

Let us say we need to sweep the floor of a dusty room with a broom. Since the sweeping has to be done on the floor, the floor

itself is the raw material. The broom used to sweep the floor is a tool. If a container is necessary to remove the collected dust, that is also a tool. There is no auxiliary material here. But, if we have to wash the dusty floor with water, the water is an auxiliary material. After that work, the room will become a clean room.

Here we will face another question.

There is water in a glass for drinking. What is that water? Is it raw material, tool or auxiliary material? — Water ready for drinking is not a raw material; not a tool; not an auxiliary material. We have to give some other name to that water. A name that refers to its use. Say, 'a substance ready for drinking'.

If cooked rice is ready, it will not be raw material, tool or auxiliary material. We have to call it 'a substance ready for eating'. If it is uncooked rice, it is not ready for eating. It has to change into another substance. Therefore uncooked rice is raw material. The cooked rice is not.

We may call articles which are not either raw materials or tools or auxiliary materials, but ready for consumption as 'articles or substances of consumption'.

Any article, which is made after doing some labour, is a 'product' or 'produce'. Product is something which is produced. Raw materials, tools and the like which are necessary to produce are collectively called 'means of production'. Those are the means to produce. Means of production are necessary to make any article or to do any work. Without them no work is possible.

Questions and Answers

1. What is the difference between raw materials and the tools?

A. Raw material turns into a new article. The raw material does not exist in isolation and away from the new article. But tools do not enter into the 'body' of the new article. After an article is made, all the tools remain separate.

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2. We have to weave a blanket. Tell what raw materials and tools are necessary to weave?

A. The only raw material is yarn. Tools: loom and a few others.

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3. What are 'auxiliary materials'?

A. These are a kind of materials which are necessary either to make new articles or to carry on certain activities. Auxiliary materials are those materials which are neither raw materials nor tools but are essentially needed.

4. What are the raw materials in washing clothes? What are the things that we make by washing clothes?

A. 'Soiled clothes' are the raw materials. The 'washed clothes' are the articles that we make by washing.

5. What is this water?

A. Auxiliary material.

6. Raw material, auxiliary material, and personal consumption material - Give examples of these 3 kinds of materials.

A. Take 'water' as an example. When we use water to cook rice, water will be the raw material. Water used to wash vessels is auxiliary material. When we drink water, it is personal consumption material. Some articles belong to the 3 categories.

7. Pencil, book, cooked rice, water, table, cooking oil, petrol, brinjals — out of these, what is raw material? What is auxiliary material and what are tools? (If there is something which does not come under any of those three kinds, call it 'an article that is used'.)

A.

Pencil	—	a tool. Or an auxiliary material, depending on the context.
Book	—	a tool. Or an ob-ject of consumption.
Cooked rice	—	consumption material.
Water	—	raw material, auxiliary material and consumption material.
Table	—	a tool. Or an object of consump-tion.
Cooking oil	—	raw material.
Petrol	—	auxiliary material.
Brinjal	—	raw material.
Spectacles	—	an object of con-sumption.
A pair of shoes	—	consumption material.
Plough	—	a tool.

8. If we want to put 'seed' under some category, what is the category under which we can put it?

A. We can consider it as 'raw material'. Because the plant grows from the seed. The seed cannot be a tool. Nor can it be auxiliary material. If we want to give a name to the seed, it will be raw material. But, if it is a naturally formed seed, we have to name it as 'naturally existing original substance' or something else.

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9. There is water in the pot. What is pot? What is water?

A. Pot — used as a tool.
Water — used as food.
Every article is meant for consumption. We need to refer to the articles with such names based on the differences in using them.

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10. What are the 'means of production'?

A. The 'means' necessary to 'produce' anything and everything is the 'means of production'. To make some products, we do not find raw materials. In some contexts, we do not find auxiliary material. Whatever is necessary for production in a given context, it is the means of production.

11.

A.

How do we refer each object in this picture?
Earthen stove — tool.
Firewood — auxiliary material.
Pot — tool.
Contents in the pot— raw materials.

12.

What is this water?

A. May be raw material or drinking water.

13. What is this?

A. It is water that cleans the vessel.
It is auxiliary material.

★

8. What is ‘labour’?

Parvathi stitched a shirt, right? That is ‘work’. We may refer to ‘Work’ as labour. In this case, it is the work of stitching. In other words, it is the labour of stitching. The variety of clothes that we wear are produced due to the labour of stitching.

If someone makes a chair, it is carpentry work or labour of carpentry. Wooden furniture such as chairs, benches and cots are produced with this kind of labour.

If someone grows plants, it is the labour of agriculture. Plants and trees grow because of it and we get vegetables, fruits, and food grains.

If someone cooks a meal, it the labour of cooking. The things we eat are produced because of this labour.

Thus if we need any thing for our use, we have to perform the labour necessary for that. Not just a single kind of labour, many different kinds of labour have to be performed.

To make a ‘shirt’, the stitching work has to be done on a cloth, right? This means that cloth has to be available first, in order to make a shirt. The ‘thread’ has to be there before hand to make the cloth. Cotton has to be there before hand to make the thread. To have cotton, the work of growing cotton plants needs to be done. To grow the cotton plants, there has to be ‘land’. But, we need not make the land. The land is already there in nature, right underneath our feet. We can do anything on the land. We can build houses. We can grow crops. If we need to have cotton plants, we have to remove the rocks from the land, till the land, sow the cotton seeds, and grow the plants.

This means, if we need a shirt, the work has to start from growing the cotton plants on the land! If we have to grow cotton first, then spin the cotton into a thread, weave the cloth from the thread, and then stitch the cloth into a shirt — if we do so many kinds of work, a shirt will be ready.

Since the raw material for the shirt is cloth, all the preparatory work that needs to be done to make the cloth is directly related to the raw material.

But, to make a shirt, raw material alone is not enough, right? Some tools like scissors and needle are also necessary, aren't they? All the work necessary to make the tools must also be over and the tools must be ready by then.

This means, to perform a new labour, many other labours must have been performed before it.

Let us start with cotton once again. Seed alone is not responsible for the growth of the cotton plant. Cotton is produced from things like the nutrients in the soil, sunlight, water, air, etc. In the absence of any one of these elements the plant does not sprout and grow. But we cannot call them raw materials. If they are raw materials, they should be made of labour. Air, water, sunlight, soil fertility — none of these is made of labour.

[There are contexts in which soil fertility and water are brought out by labour. Even then they cannot be raw materials. They are the nutrients necessary for the tree to be alive.]

This is how cotton is made.

Labour of tilling the land

Carpentry

Cooking labour

Labour of grass cutting.

Labour of washing clothes.

Later on when thread is made from cotton, cotton will be the raw material, and the thread will be the new product.

When the cloth is made from the thread, the thread will be the raw material, and the cloth will be the new product.

When the shirt is made from the cloth, the cloth will be the raw material, and the shirt will be the new product.

Thereafter, there will be no new product that we can make from the shirt.

But the shirt itself becomes first the raw material whenever it gets dirty and becomes a new product whenever it is washed.

The shirt keeps changing back and forth like that.

If ironing is done on stitched clothes, the clothes before ironing are the raw materials. The clothes after ironing are the new products that came as a result of that labour.

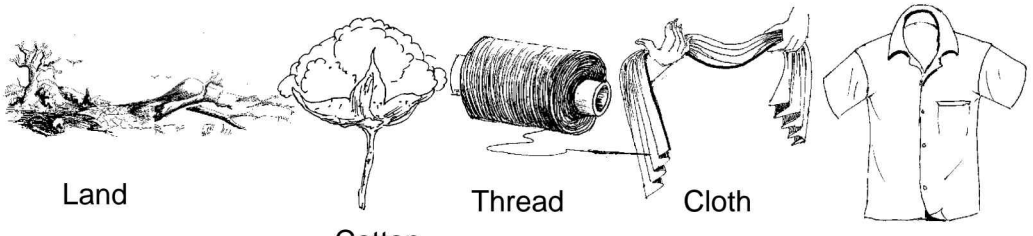
If we want to do labour afresh, raw materials, tools and auxiliary materials produced by several kinds of labour must be readily available. But, raw materials are not necessary for some kinds of labour. Auxiliary materials are not necessary for some kinds of labour. But tools are necessary for all kinds of labour.

We have to look at these things in a detailed manner because, in the past, even great intellectuals were not aware of what raw material is, what a tool is, and what the role of each of them is. Even now, many people do not pay proper attention to these things. That is why we need to learn these things properly. We have to learn these things in much more detail as compared to the people who came before us.

Questions and Answers

1. What is raw material and what is the new article if we look at things beginning from 'cotton' to the 'shirt'?

A. Whenever an article is made, that article will be the new article. If cotton is made, it is new material. Then, cotton itself is the 'finished' article. If cotton is the raw material, yarn made out of cotton is the new article. If yarn is the raw material, cloth that is made out of yarn is the new article. If cloth is the raw material, a shirt made of that cloth is the new article. But with that shirt, we will not make any new object. When the shirt gets soiled and fades out, then it becomes the raw material. After it is washed, the washed shirt will be the new article. The shirt will be torn completely after some time.



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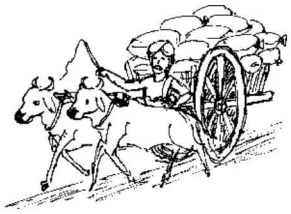
9. Labours that do not make Products

We are seeing that things are produced because of labour. But, some kinds of labour do not result in any products. For instance, consider the work of 'driving a bullock-cart'. This is also a type of labour. To carry on this labour, there has to be a cart to begin with. Then, there should be some oxen to pull the cart. Then there has to be a person who drives the cart.

If clothes are made from the work of stitching, or wooden furniture is made from the work of carpentry, what products are made from the work of driving a cart? – No products are made. But, some needs are met because of this work. People ride in the cart and travel from one place to the other. Even the goods can be moved from one place to the other. This work of driving the cart must be called the 'labour of transport'. Without this work, people will have to walk for long distances. They will have to carry things for long distances. The purpose of this labour of transportation is not to make products. It is to satisfy the transport needs.

Bicycles, buses, ships, trains, airplanes – all these are means of transport. That is, they are the tools necessary for transporting things.

Let us say Gopayya is driving the bullock-cart. The cart is loaded with bags of paddy. In the work of driving the cart, what are the raw materials? What are the tools? What are the auxiliary materials? Are the bags of paddy in the cart raw material? – No. When some work is performed on raw material, the raw material has to undergo some changes in its body and has to transform into some other material. If the work of stitching is done on cloth, it changes into a shirt, doesn't it? If the work of cooking is done on rice, it changes into cooked rice,



doesn't it? In the same way, do the bags of paddy in the cart change into some other material by the time they are unloaded from the cart? – It does not happen like that. Whether it is people or goods that travel in the cart, they will not become raw materials. There are no raw materials in this work. There will only be tools and auxiliary materials.

For the work of driving the bullock cart, we first need to have the 'cart', don't we? It is a tool. We also need to have the 'oxen', don't we? They are also tools. We need fodder for the oxen, don't we? In the work of driving the cart, the fodder is neither a raw material, nor a tool; it is an auxiliary material. Suppose, we have to apply some lubricating oil to the wheels of the cart. That lubricating oil too will be auxiliary material.

For driving a bus, we need to pour some oil into the engine, don't we? Since the oil is burnt while driving the bus, the diesel is auxiliary material.

Does Gopayya drive the cart, or do the oxen drive the cart? Or, do Gopayya and the oxen drive it together? Gopayya alone does it. Gopayya is the one who does the work of driving, not the oxen. Even though the oxen pull the cart, it is not the same as 'driving' the cart. Driving the cart essentially means directing the oxen. Before the oxen are tied to the cart, there is nothing to drive. Does anyone drive the cart without oxen? After tying the oxen, the work of directing the oxen is itself the work of driving the cart. It is the man and not the oxen that directs the oxen. Oxen do not direct themselves. If the oxen walk some distance while Gopayya takes a nap in the cart, it does not mean that the oxen are acting independently. Without the cart-driver, the oxen do not tie themselves to the cart and pull it.

In the work of driving vehicles such as cars, buses and trains – oxen are not involved. Engines are involved. We have seen that oxen are 'tools' in the work of driving the cart. Similarly, engines are also the tools in driving these vehicles. Just as the cart driver does the work of driving the cart, it is the bus driver who does the work of driving the bus and not the engines.

Whenever we speak of

'labour' or 'work', we always need to remember this: it is the human beings that do the work, not the tools. Using the tools, human beings alone do the work. We should never forget this.

We have seen that all kinds of work do not necessarily result in some products. In fact, not all kinds of work can be called labour. We have to see this later.

Questions and Answers

1. What articles are made due to 'driving'?

A. No articles are made. But, that labour is necessary to transport people and luggage from one place to another.

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2. Oxen pull the cart. Do oxen perform the labor of pulling the cart?

A. We have to understand 'labour' as something which human beings alone do. The bodies of oxen do face a lot of hardship in pulling the cart. They get exhausted. Yet, we should not consider the pulling of the cart by the oxen as equal to 'labour' which humans perform. The term 'labour' applies to human beings only. If the cart driver does not drive the oxen, the oxen do not pull the cart.

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3. Animals are animate tools. But, do humans have the 'right' to use them as tools? Does it not amount to violation of the rights of animals?

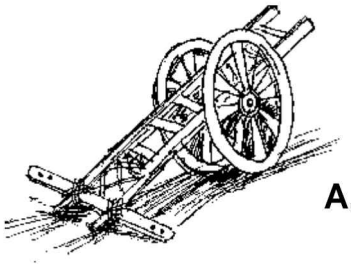
A. Issues like rights and responsibilities are related to human society. Other beings do not have rights and responsibilities. But as humans make use of animals as tools, they ought to behave with great responsibility. Animals must have ample food to fill their bellies with and clean surroundings to live in. People have to take care of their ill-health and give them sufficient rest. Humans should not behave towards animate tools the way they behave towards inanimate tools such as hammer, knife, plough or loom. Using animals like tools has been an inevitable need for human beings so far. Hence, humans ought to be responsible towards them. Humans ought to demonstrate

mainly 'humaneness' towards animals. In due course, human beings ought to give up using animals as tools.

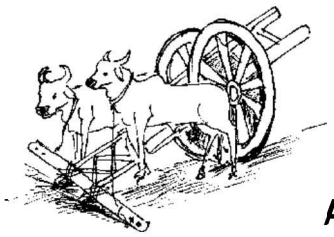
4. We rear cows and she-buffaloes for the sake of 'milk'. Just as we consider cart-pulling oxen as tools, should we also consider milk-giving animals as tools?

A. Do we consider plants and trees that give fruits and grains as tools? No, we don't think so. It is the same case with milk-giving animals also. Every word that applies to the making of inanimate objects does not apply to living beings.

5.



A. A tool (cart)



A. Tools. (cart+bulls)

6. Mention some types of labour which do not make articles.

A.

Labour of driving the cart

Labour of teaching

Labour of treating patients

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10. All 'labour' is work, but all work is not labour!

Cooking rice – is work. It is also labour.

Eating rice – is also work. But, it is not labour.

Teaching – is work. It is also labour.

Learning – is also work. But, it is not labour.

[We have to clarify a point here. Do you know what we have been learning so far? We have been learning 'lessons in Economics'. In Economics, we come across concepts like products, money, work, labour, etc. We have to understand the concept of 'labour' in Economics and talk accordingly. A person stays awake all night, completes reading a book and says "Oh! I laboured a lot!" Since he read all night without sleeping, we might say that he 'laboured' a lot in the sense that he put in a lot of effort. But, that is not labour according to Economics. If that person reads for some one else by profession or as a matter of help, it is then labour. If he reads for himself, that work is not labour. We have to interpret the word 'labour' with this meaning.]

'Labour' always means some kind of work.

But 'work' may or may not be labour.

Not all kinds of work is labour.

Let us say in someone's house, there is a servant maid named Savitri, to take care of the kids. She bathes the children, feeds them, entertains them and puts them to sleep. She does many other things. All these things are called labour.

The work that Savitri does in her own house to take care of her children is also labour.

To bathe the children – is labour.

To take a bath herself– is not labour.

This is labour

This is not labour

To feed the kids – is labour.
To eat herself – is not labour.
To put the children to sleep – is labour.
To sleep herself – is not labour.

If she takes a bath, eats food, or reads a book – all this is work. Her body will be tired to some extent while doing this work. But, these kinds of work are not labour. We should not think that every work and every movement that we make with our body is labour.

Let us look at the 'work of teaching'. It involves a teacher and some students. There is no raw material in this labour. To carry out this labour, some objects are necessary such as a room, black board, chalks, chairs, benches etc. All these are tools that are necessary for this labour. When the teacher writes on the black board with chalk, the chalk becomes smaller, and turns into powder. It is an auxiliary material.

If the teacher beats the children with a cane, that work is not labour. Beating the children is not a natural requirement for teaching. The cane used to beat the children with is neither a tool nor an auxiliary material for the labour of teaching. It is an improper tool that has no connection with the labour of teaching. If that improper tool became necessary, it means that the relationship between the teacher and students is faulty. As it is wrong to beat the children, an improper tool was necessary only for doing some unethical work. Looking at the cane in the teacher's hand, we should not think that the cane is a necessary tool for the labour of teaching.

[We have said that we are learning 'economics,' haven't we? That's not all. We are also learning philosophy here. We will talk about this in detail at the end.]

It is the teacher who teaches. Teaching is a type of labour. In that labour, it does not mean that the students are also working along with the teacher. There the students are merely learners and not teachers. Even though learning is also work, it is not labour.

It is labour if a coach organizes games and instructs the children to play. But to learn

the games and play is not labour for the students.

Is walking in the cool breeze for bodily health labour? – No.

Is reading the news paper labour? – No.

The meaning of labour will be clear when we complete some more lessons.

Mining or **Extracting Labour**:

In mines that are under the ground, we find coal, many kinds of metals, minerals, petroleum, oils, and gases etc which are naturally formed. Likewise, we find fish and pearls in rivers and oceans which were naturally formed. The kinds of labour involved in extracting these naturally existing materials are collectively called 'mining labour' or 'labour of extracting'. When extracting labours like these are performed, there are no raw materials involved. We have seen some points about this aspect in the 9th lesson. In the mining labours, only the tools and auxiliary materials are necessary. The materials that are produced because of this mining labour are later used as raw materials for other kinds of labour.

Metals like gold, silver, copper and iron are naturally formed inside the earth. Unlike coal, which exists as big chunks under the ground, these metals do not exist in their pure forms. They exist in the form of small particles of ore mixed with the soil under the ground. Only when different kinds of labour are performed, like digging the soil, separating the ore, and purifying the metal, do we get blocks of pure metal. We can make many kinds of products from these blocks of metal.

We are discussing all this to understand what money is, aren't we? – Money is made from gold. But, it does not mean that we know what money is just by knowing that money is made from gold. We have to first learn about making use of different kinds of products.

All members of Ramayya's family make pots from clay. They make every thing from clay – small clay cups, vessels for cooking and big pots for storing

water. Their house is always full of many new pots. But, the pots alone do not satisfy all their needs. They need rice, vegetables and milk daily. Occasionally they need clothes and shoes. How do they get all these things? They only know how to make pots and do not know any other kind of work. So, how will they get other kinds of things?

Questions and Answers

1. 'Labour' means 'work' but 'work' does not mean 'labour'. Explain this statement.

A. Labour means some kind of work. But, work which we do for the sake of our own body is not labour. Activities like breathing, eating, bathing, sleeping, reading, playing and the like do not come under the category of labour. If we do the activities for the sake of others (even if those others are our children), then they come under the category of labour. Any work which is done to make articles or which is necessary for our life is labour.

2. (1) Breathing, (2) Tilling the field, (3) Reading, (4) Washing clothes, (5) Driving, (6) Sleeping — out of these, which are types of labour and which are not?

A. 1, 3 and 6 are not types of labour. The remaining are labour types.

3. Activities like eating food and reading a book are not types of labour. Well, then, don't we need some means to carry on such activities which are not labour?

A. To carry on any work, whether it is labour or not, we need certain things which are relevant to that work. To eat food, we need cooked rice. To read a book, we need a book. Whether a given work is labour or not, it needs means relevant to it.

4. If the teacher uses cane against the students, it implies that the relationship between the teacher and the students is faulty — How?

A. Teacher is a person who ought to teach students. His job is to teach and not beating. If a teacher is beating students, it means that he is not playing the role of a teacher but playing the role of a policeman. Beating children is not a relationship that is expected in a place where education is imparted. Such a relationship is a faulty relationship.

5. "Here we are studying philosophy also"—this is what we said in the lesson. What is philosophy?

A. All people must understand any problem and every problem in the same manner. The correct solution must appeal to every one equally. But, this does not happen in the present-day society. Every person will have his own view even on a minor issue. Out of those views, only one view may be right. Or, none of them may be right. One view is that if children do not study well, we have to punish them and instill fear in them. According to this view, children study well if they are punished in various ways: making them sit like a chair near the wall; putting chillies in the fire kept in a small earthen pot near the nose; hanging the student upside down from the top of a room or a tree and beating mercilessly. Another view is that such punishments are totally wrong. According to this view, children study with care and interest if we teach them slowly, patiently and clearly and we cannot impart education by creating fear in them. On every issue we find mutually contradictory views. Every one has his own philosophy! But we ought to know what is correct and then follow the same. ★

11. What are 'Exchanges'?

Ramayya's family lives in a small hut. His family members make clay pots. They grow a few vegetable plants in the backyard.

They rear a she - buffalo which gives milk. What they do primarily, however, is to make clay pots. That is all. They cannot do any work other than this. But, they do need many more things for daily use, don't they? How will they get rice? How will they get clothes? How will they get shoes? How will they get such things which they do not make?

Based on our knowledge of

the present day, we can give answers to these questions easily. We can say that since they make clay pots, they sell the pots and with the money so earned, they buy the required articles in the market.

There was, however, no selling or buying of things in the remote past. In the remote past, there was nothing like 'money'. What did happen in the past when there was no money? We have to understand things from the beginning.

There are many more families in the same village where Ramayya's family lives. All the members of Lakshmayya's household toil on the farmland and grow grains and vegetables. They also rear cows and she-buffalos. But, they do not know how to make clay pots, or shoes. Then, how will they get pots and shoes?

A few more families live in the same village. Some families do wood work. Some make shoes. Some weave clothes. Some wash clothes. Some cut hair. In this manner, people in the village do various kinds of work.

Some people do one kind of labour while other people do other kinds of labour. As people do different kinds of labour, it amounts to 'the division of labor'. Since a single person cannot perform a hundred kinds of labour, different people doing different kinds of labour amounts to division of labour.

Let us suppose that the members of a household need 10 different articles for their minimal subsistence. But, they are able to make only 2 or 3 types of articles. They do not know other kinds of work. In that case, how will they get articles that they do not make themselves? This is not the probem of a single household. Every household faces the same problem. What is the solution for this problem? The solution is to offer articles made by one household to another and receive articles made by the other household in return.

Ramayya's family makes only clay pots, isn't it? They need shoes.

Somayya's family makes only shoes. They need pots.

One day, Ramayya carried a pot to Somayya's house and said, "Somayya! My shoes have worn out. I want a fresh pair. Take this pot and give me a pair of shoes".

Somayya was quite delighted. "I was about to go to your

house. Our water pot broke off. A while ago, my wife asked me to go to your house and get a fresh pot. In the meanwhile you have arrived," said Somayya to Ramayya and called his wife.

Somayya's wife came out, took the pot and thrust her face into it scanning all around. "No cracks, it is very good," said she quite pleased. She carried the pot happily to the front yard, rinsed it with water thoroughly, set it over a heap of sand, filled it with fresh water and covered the pot with a lid.

"Choose shoes of your choice" said Somayya to Ramayya.

Ramayya inspected all the pairs of shoes lying below a wooden plank, selected one pair and inserted his feet into them. "Somayya, this pair of shoes suited me very well…I am going", saying this Ramayya left happily.

Giving one article & taking another article

What has transpired between Ramayya and Somayya? The article which Ramayya made has gone over to Somayya and the one which Somayya made has gone to Ramayya. The articles have changed from one side to the other. When this happens between two different articles, we should call it an 'exchange'. It has a specific name: Barter system of exchange.

Even though Ramayya does not know how to make shoes, he got a pair of them. Although Somayya does not know how to make pots, he got one. With the exchange of one person's article to the other, the needs of both the families are met.

'Exchange' is nothing but 'labour relationship':

What is the 'relationship' between the potter's family and the shoe-maker's family? Are they brothers? No. Are they friends? No. Are they enemies? No. Relatives? No. Then what is their relationship? They use each other's 'labour'. It means, the relationship between them is the 'labour relationship'.

Not only these two, many more families live in that village.

Barber Balayya's daughter Sita is running high fever. Pullayya gives good medicines

for fever. When they called Pullayya, he treated Sita. The fever subsided in two days. Later when Pullayya called him, Balayya went and trimmed Pullayya's hair.

There was a transfer of Balayya's labor to Pullayya, and Pullayya's labor to Balayya. The needs of both the families were satisfied.

Even though the members of a family make only one kind of an article, using that article, they will procure many other articles.

Members of a family making clay pots procure:

Shoes in exchange for one pot,

A small measure of grain in exchange for another pot,

Hair trimming in exchange for yet a different pot,

They get their clothes washed in exchange for one more pot. In this manner, all the needs of the potters are met.

Likewise, shoe-makers offer shoes and get other articles. Similarly, barbers do hair cutting and procure articles they need. All of these transactions are 'exchanges'.

If one individual gets service from a second individual and does a different kind of service for that person, it becomes an exchange of work. In other words, an exchange of labor.

Alternatively, if an article of one person is transferred to another person and the other person's article to the first person, then it becomes an exchange of articles. As a matter of fact, 'exchange of articles' is an exchange of labor only. Exchanging things is same as exchanging one's labor for another. An exchange between a clay pot and a pair of shoes is the same as an exchange of labor that made the pot and the labor that made the shoes. All the exchanges that take place among the people of that village are 'labour exchanges'. Their relations are 'labour relations'.

Questions and Answers

1. What are 'exchanges'?

A. Giving one article and taking another. Exchange of articles is change of articles from one side to the other.

2. The barber's family needs a pot. Then between whom exchange should take place?

A. The barber has to take a pot from the potter and does hair dressing for the potter. This means an exchange takes place between the labour of hair-cutting and the labour of pot-making. ★

12. The 'Use value' of an article

Ramayya gave a pot which he made to Somayya and accepted a pair of shoes which Somayya made, didn't he? This is called barter system of exchange. In those days, when the 'money' had not yet emerged, all the exchanges occurred in the form of barter system, by exchanging one thing for another.

Then, a question arises: how will exchanges take place after the emergence of money? We shall look into this question in the subsequent lessons. At the moment, we shall discuss this matter very briefly. Once money emerged, giving one article for a different article will not do. One has to give only money. We have to give articles which we make to people who need them and take money from them in return. We have to give the same money to others and take things which they made. Transactions that take place by means of money are also exchanges. They are exchanges between money and an article. All this is what had happened after money has emerged. We must, however, understand what money is in the first place. We still do not know that. When we give our article, why do we get money in return? Why do we get an article, if we give money? We shall see all these questions in the subsequent lessons. At the moment, we are still in the stage of barter system of exchanges where money does not exist.

If we give a pot and take a pair of shoes in return, then it is a barter system of exchange. If we give a fistful of rice and take a bunch of curry leaves in return, then it is a barter system of exchange. If we give a basketful of grains and take a basket load of berries or the kernel of an unripe palm fruit in return, then it is a barter system of exchange. If a washer man and a doctor work for each other, that too is a barter system of exchange. In this manner, the barter system of exchanges used to take place among all people in villages in the remote past and their needs were fulfilled.

Among articles, some are small, some are big, some are very big and some are very small. Some articles are made with less effort and some others with a lot more effort. Some articles are made very rapidly and some others only after a prolonged time. We would not get a bigger article if we give a smaller one. If we give an article of smaller effort, we would not get an article made with a greater effort. For exchanges to take place there exists a condition, namely, 'values' of both the articles must be equal.

So far, we have discussed points which we could understand easily. Hereafter we will have to gradually face some difficulty in understanding. By difficulty we do not mean too much difficulty. We need to read carefully applying some thought.

At the time of their emergence, exchanges would take place for daily needs. Because the potter and the shoe-maker were in need of each other's articles, they exchanged their articles and used them.

In those days, there was no concern as to which article was larger or which article was smaller. No one would have an objection to give away a larger article if the need was for a smaller one.

Such objections too, however, began gradually. To make an article, would it need a smaller effort or a greater one? Which one would involve more effort, to make a pot or to make a pair of shoes? Which one would involve more effort, to make a chair or to make a blanket? Such thoughts had begun. Which article is difficult to make and which one is easier to make would become clear gradually through experience. Ever since that became clear, conditions would emerge as a prerequisite for exchanges to take place.

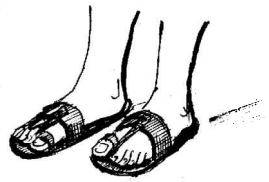
Now we must examine a few things very carefully. Every article would have two aspects, (1) the aspect of utility. (2) The aspect of exchange.

On the first aspect:

What is the 'utility' or 'use' of a pot? It is useful for storing water. Storing is the natural property of the pot. This property is present within the body of the pot. We should call this property of the pot as the <u>use value</u> of the pot.

What is the 'use' of a pair of

shoes? While walking, shoes protect our feet from stones and thorns. That is the natural property of the shoes. This property is present within the body of the shoes. We should call this property of shoes as 'use value' of the shoes.



Between a pot and a pair of shoes, which one is greater? Whose use value is greater? We should not compare 'Use values' like that. When we need a pot, in its absence, can a pair of shoes satisfy the need of the pot? Similarly, when a pair of shoes is needed, in its absence, if a pot is available, will it satisfy the need of the shoes? If a chair is available, when we need a small pencil, will it satisfy the need? For every specific need, a specific article is required. Rice – needed to eat. A house – to live in. A blanket – to cover oneself with. A book – to read. In this manner, every article has a use value. Therefore, we should not compare use values in terms of which one is superior and which one inferior. To compare like that is a wrong way of thinking. Among things that satisfy different needs, none is greater and none inferior. This is the first thing one must know about articles.

The second aspect:

This is a feature of an article because of which it undergoes exchange. From now on our problems start in a smaller way.

Questions and Answers

1. If we give grain and take *jujuba* fruits, what is the name of that exchange?

A. It is the barter system of exchange.

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2. What is 'use-value'? Explain with examples.

A. The utility of a thing is its use-value. The use value of cooked rice is that it is useful for eating. Clothes for dressing. This is how it goes on.

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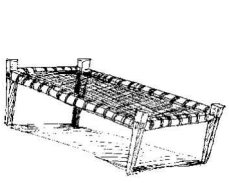
3. Which use value is greater: of the cot or of the chair?

A. There cannot be greatness or



smallness between use-values. Cot satisfies one need while the chair satisfies another need. We need a given article to satisfy a given need.

4. Does every article have a use-value?

A. Surely. Only when the article is spoiled, it will not have any use.

5. Use value of water and use value of milk — which is greater?

A. We should not compare different use values. Each has its own use. Use of milk is neither greater nor smaller than that of water. Same is the case with water. There is no greatness or smallness between different use values.

6. Usefulness of 1 kg rice and usefulness of 2 kgs rice — which is greater?

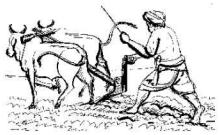
A. As both are rice, we can compare the two. The usefulness of more quantity of rice is greater than less quantity of rice.

7. Tobacco, liquor, gun, poison — do these things also have use values?

A. Yes they have. We have to see why tobacco is useful and identify that aspect. Here the debate is not whether its usefulness is good or bad. When we speak of 'use value', it does not mean that it is of good use. It only tells the nature of an article. The nature of liquor is that of liquor. The nature of gun is that of the gun. The nature of poison is that of poison.

8. Mention the names of some articles and tell what needs do they satisfy.

A.

Plough	Balance	Book	Glass	Shoes
				
For tilling the land	For weighing the weight	For reading	For drinking water	For walking comfortably.

13. The 'exchange value' of an article

What is the 'use' of a pot? It is useful to store water. How is a pot made? It is made with clay in a certain way. Whether it is a pot, a pair of shoes or a chair, or any other article, when we see it with our eyes, its utility will be evident. The kind of labour with which it was made will also be evident. This means, to understand the use values our 'common sense' is enough. It is quite simple to understand this. Nothing is difficult in this point.

However, from the time the lesson on 'exchanges' begins, more attention would be necessary to understand these points. These are matters that would enhance our knowledge. One must have curiosity to learn these issues.

A pot and a pair of shoes are two different things. For an exchange to take place between them, what kind of property intrinsic to these things permits such an exchange? The two things must have a property in common. Only then, people who own these things will have no objection to give away one thing in exchange for a different thing. What is that feature which is common to both a pot and a pair of shoes? Are the weights of the two things equivalent? Are the heights of these things equivalent? It is not such bodily features. Since they are two different things, no physical features will be common. However, the two things must have a certain feature in common. Their exchange is possible only when a certain feature is common between the two. What is that feature? That feature is the volume (size) of the labour that makes (produces) those things. 'A certain quantity' of labour has to take place to make the pot. For the pair of shoes too 'a quantity of labour' has to take place. Only when the labour of pot is equivalent to the labour of the shoes, an exchange between these things is possible. If greater labour is spent in making one thing and lesser labour is

spent on making a different thing, the owner of the first article would not accept that exchange and an exchange between them cannot take place.

Well, then, how do we know for which article more labour was spent and for which article less labour? How to measure labour? To measure weights, there is a system of balance. To measure height, there is a system of scale. Then, to measure labour, what system exists? What is the means for measuring labour? To measure labour too, there is a system. There is a means. That means is 'the time'. That is: how many hours? How many days? – This is the means to measure labour.

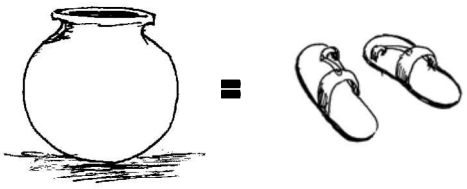
How much time was spent in making a pot? How much time was spent in making a pair of shoes? If more time was spent, it is more labour. If less time was spent, it is less labour. If the labours are equal, then neither of the people who exchanged the things would be at loss. If we give a thing made with less labour, we would not get a thing made with more labour.

Let us suppose that a total labour of 2 hours went into making a pot and a labour of 5 hours into making a pair of shoes. If an exchange takes place between these two things, for the potter, it is same as giving away 2 hours of labour and taking 5 hours of labour in return. Potter likes this. The potter would agree gladly for this exchange. But, for the shoe maker, this is same as giving away 5 hours of labour and taking 2 hours of labour, isn't it? He does not like this. He would not agree for this exchange. Therefore, an exchange would not take place between a thing made of more labour and one made of less labour.

The actual principle in an exchange between two different things is that the labour spent on the thing which we give away and the labour spent on the thing which we take must be equivalent. If the measures of 'labour' in both of the things are equivalent, by virtue of this property alone, exchange can take place between the two. Labour being equivalent in two different things is the property common to those two things. The name of the feature which is a prerequisite for an exchange, is – 'the exchange value'.

Let us suppose that it took

2 hours of labour to make a pot. That is the exchange value for the pot. Let us suppose that to make a pair of shoes also it took 2 hours of labour. That is its exchange value. In that case, it would mean that, the pair of shoes contains as much exchange value as that of the pot. If we give a pot and take a pair of shoes in return, it would mean that we received the same amount of labour which we gave away. The potter would give away 2 hours of labour and take back 2 hours of labour. Similarly, the shoe-maker would also take back as much labour as he gave. Because of the exchange between the pot and the shoes, neither of the two persons would be at a disadvantage. This wouldn't, however, mean that there would be any advantage either. The value given away and the value taken in return are equivalent.



We have to read this figure as follows;

The value of the pot is a pair of shoes.

It also means, 'the value of shoes is the pot'.

Pot and shoes are equal. Equal in what respect? Not in respect of 'use value' but in respect of 'exchange value'. That is, in respect of quantities of labour necessary to make those things.

Because of this exchange, the potter would get a pair of shoes. And the shoe-maker would get a pot. This happens while neither of them gains or loses anything. They get back the same amount of value which they gave to the other. As a result of this exchange, the needs of both the parties are satisfied.

(We may call 'the exchange value' briefly and simply as 'value'. When we speak of 'Value', we should not mistake it for 'the use value'. 'Value' means nothing but 'the exchange value' only).

By the way, when the exchanges began in the past, did people of those times know of 'labour'? Did those people know that a pot would take less labour and a chair more labour? They didn't. In the beginning no one knew about 'labour'. Whoever needed an article from others

would offer their articles for the thing they needed. The second person too would offer his thing for the thing he needed. In the early times, there was nothing like 'common feature'. They were not aware of it at all.

Gradually people gained more experience. They began to know which article would take more labour and which one would take less labour. Yet, even when these matters become clear, those calculations won't be accurate. We have to assume that in the past, exchanges would take place without precise calculation.

Questions and Answers

1. What is 'exchange value'?

A. Value which is necessary for an exchange to take place between 2 articles is the exchange value. The labour that is necessary to make those articles is their exchange value.

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2. Every article is made of 'labour', isn't it? Does it mean that every article has an exchange value?

A. As soon as an article is made, its labour will not necessarily turn into value. Only when that is exchanged with another article, the labour of those 2 articles will be counted as values. If an exchange does not take place, the question of value will not arise.

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3. If an exchange between 2 different articles has to take place, what feature should be common between the two articles?

A. Their value should be equal. It means the quantity of labour that went into the making of those articles should be equal.

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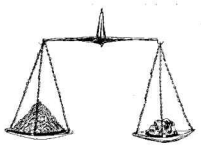
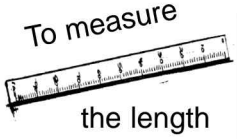
4. Illustrate with figures the means to measure weights, heights and labours.

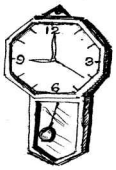
A.



For weighing



the length



To calculate labour time and days.

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14. What if an article is made quickly? Or made lazily?

Some people do the work quickly while others do the same work very slowly. If a person makes a thing briskly in a short time, would that thing have less value? If a different person makes a similar thing sluggishly taking longer time, would that thing contain more value? It can't be.

A single family does not make pots. A few more families would also do that work. Let us suppose that for all the potters, it would take generally 2 hours of time to make a pot. That duration of time is its measure. One person might take a little longer time and a different person a little shorter time. The duration of time generally required would, however, be the value of that thing. Let us suppose that the time generally required to make a pot is 2 hours. If a person took 6 hours to make a similar pot, its value will not increase. Those 6 hours will be counted only as 2 hours. If a different person could quickly make the same pot within an hour, the value of the pot will not decrease. It will also be counted as only 2 hours.

Let us suppose that the shoe-maker carried a pair of shoes along and set out for a pot. If the potter said foolishly "I won't give away this pot like before. It took me 6 hours to make it".

The shoe-maker will be surprised and would say, "Isn't it an ordinary pot? It has no designs etc., has it? Why did it take longer time?" he would ask.

"Well, it took that much time. What can I say?"

"There you go, that pot what you folks use there appears to be a new one. How much time did it take?"

"That one took only 2 hours. Only this one took 6 hours".

"In that case, I don't need this. You keep this and give me that pot", the shoe-maker would say.

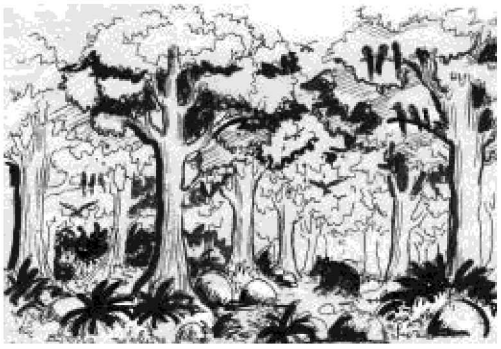
The potter would put a blank face and make a compromise "Alright, take this pot and give me the pair of shoes". He would realize his mistake.

The amount of time that

people take on an average to make an article is considered as its time. However, the value will not increase if the article is made slowly by taking longer time or the value will not decrease if the article is made swiftly.

Natural Substance:

To make an 'article', the labour of human beings alone is not enough, natural substances are also required. The beginning of making of any article would start with some kind of a natural substance.



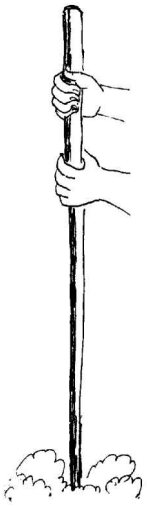
Naturally existing forest

To make a pot, first some 'clay' is necessary. We can get it by digging the earth. Earth is a natural substance. It is not made out of anyone's labour. Such a natural substance does not have an exchange value. For digging the earth, a certain amount of labour must take place on the natural substance (the earth). If a heap of soil is extracted after digging the earth, that soil cannot be a natural substance because some labour has been spent in extracting that soil. Only when the soil exists as it is given by the nature and remains where it is presented by the nature, only then it is a natural substance. Once we spend some labour on it, the soil cannot be a natural substance. The soil extracted will now have some value. Whatever quantity of labour we spent on the soil will be the value of the soil. That soil (clay) will now become raw material necessary to make a pot.

This heap of soil is not a natural substance

Labour in the tool:

To dig out the soil, some kind of tool is also necessary. The tool was already made of labour. Since that tool is needed to dig the soil, it implies that the labour spent on making the tool is necessary to dig the soil. Look at tools like spade, plough or a crow bar. If we perform a small job with it for an hour, will that tool be worn out? No, it won't. Such tools will function for several years. We have to get it sharpened and repaired



periodically. After some period of time, they will become useless even if we get it sharpened. Every tool will have a certain life span. The value of a given tool will add in small portions to a certain number of articles in whose making the tool was used during its life time.

The value of a plough is 20-hour labour, let us say. In its life time, it was used to till 40 acres of land. Which means, the value that goes into the tilling of 1 acre is half-hour labour. This is the amount of labour that adds to the grain raised in 1 acre through that plough. The types of labour related to other tools, oxen and persons who tilled the land in order to raise that crop are different.

If soil is dug from the ground, the labour of digging and the labour of tool-making together will be the value of the soil.

To make a pot with that soil, prepared that way, water is needed to make clay. A pond exists faraway. It was not dug by people. Water in the pond is a natural substance. When the water remains in the pond, it has no value. To bring the water out from the pond, we have to do some labour. To do this labour a vessel-like tool is also needed. That tool had already been made of labour. If the water is brought out of the pond, the labour of carrying and the labour in the tool-making together will be the value of the water. If the water is poured into the soil to make clay, the water and the soil both will be the raw materials. A certain quantity of labour has to take place in order to make a pot with these raw materials. Some kind of a tool also is necessary to do that labour. Starting from digging the soil, till the pot is made, various types of labour performed by Ramayya and also labour related to making of the tools — all of them put together, will become the 'total labour' needed to make the pot. That total labour is the value of the pot. If we assume the total labour to be 2 hours, the value of the pot will be 2 hours.

This is the way in which value is formed for any thing.

Questions and Answers

1. If a tailor stitches a shirt for some one, he will get 1 '*seer*' [some measure, about 10 ounces of rice]. Parvathi could stitch 1 shirt in a half-day. Savitri stitches the same kind of shirt in a day. Is the labour spent by both equal? Who gets what measure of rice?

A. Labour time spent by Savitri is double the labour time spent by Parvathi. But labour in both their cases is counted in the same manner. Both have stitched one shirt each. Both will get the same amount of rice. If a person works lazily, a portion of that labour time will have no value. However, in this example, the question does not tell us whose labour time represents the average labour time. If Parvathy's labour time represents the average time, Savitri would get paid accordingly. Or if Savitri's labour time represents the average time, Parvathi would also get paid accordingly. ★

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15. Old labour and new labour

The total labour needed to make an article is the value of that article, isn't it? The 'total labour' consists of some old labour and some new labour. Once an article is made, these two kinds of labour will together become the 'Old labour'.

To make an article, raw materials, tools and auxiliary materials are necessary. No article is made without them. These three ingredients were also made of labour. Since that entire labour was already done, it is old labour. Labour that takes place using those ingredients is new labour. Once the pot is made, the entire labour of making the pot will become old labour.

When a shirt is stitched out of a piece of cloth, all the initial labour that went into the making of the cloth is – old labour. The labour of stitching that is spent on the cloth subsequently is – new labour. Once the shirt is made, the labour of stitching will also become old labour.

The other names for old labour:

'Past Labour'. 'Finished Labour'. 'Labour in the form of objects'. (All the means of production exist in the form of objects. Hence the labour present in the means of production is Objectified Labour.) Dead Labour. (Because the means of production are lifeless, the labour present in them is 'Dead Labour'.) Whatever name we may use, it relates to the means of production. This is old labour.

The other names of New Labour:

Present Labour. Labour that is taking place at the moment. Living Labour. (Because we can see the living persons doing labour at the moment.) Whatever be the name, it is New Labour.

If the past labours do not exist (if the raw materials, tools and auxiliary materials do not exist), it is not possible to perform new types of labour. (For 'the labour of extracting' or 'mining labour', raw materials are not necessary but others are essential.).

'Exchange value' of a thing is nothing but labour. It is a combination of old and new labours. Since all this is labour, it is alright if we call it 'labour'. A distinction between old and new types of labour is not always needed. We need such a distinction only in those contexts where we need such details.

While certain things are made with more labour, others are made with less labour. If the labour is more, its value would be more. And if the labour is less, its value would be less.

Products made by means of agricultural labour do not possess the same value always. It is because, the crop raised in one acre of land will not be of the same quantity every time. If the crop is more, the labour time necessary for one bag of grain will decrease and the value of a bag will also decrease. Or, if less crop is raised, the labour time necessary for one bag will increase and the value of one bag will also increase.

If rice is made out of that grain and if bread is made with that rice, the values of the substances made out of the grain vary in accordance with the changes in the values of grain.

The value of an article or a substance is the labour that is

necessary to make it.

The value of the pot is – 2 hours of labour.

The value of the shoes is – 2 hours of labour.

Since the value of these two things is equivalent, an exchange takes place between the two. The value of the shoes is 2 hours, isn't it? If the value of the pot is only one hour of labour, an exchange cannot take place between the two. Then if the potter wants a pair of shoes, he must offer 2 pots. Only then the value calculations will be appropriate.

Exchanges take place only between things of equivalent value but not between things with different values. This is the 'Law of value'.

We have seen that 'value' means, only labour. The value of the pot is – 2 hours of labour. Could one, however, see 'value' in the pot by looking at the pot? By looking at the pot one could see its physical characteristics, whether it is black or white, whether it is big or small.

If we look at a shirt, we can make out that 'it is made of the labour of tailoring'. Looking at a chair, one can make out that 'it is made of the labour of carpentry'. Looking at any article, one can precisely understand what kind of labour must have gone into making that article. We cannot see the feature of 'value' in its body. Because: though labour means value, the labour that appears in the thing is not its 'value' as precisely as it appears in a particular form. 'Exchange Value' does not mean that the kinds of labour which make a thing would appear directly with their forms. It is a big process whereby labour that appears in a thing is converted into its value. Seeing tailoring in a shirt or carpentry in a chair is not the same as seeing the value.

Then, how can we see value?

Questions and Answers

1. What is 'old' labour? What is 'new' labour? Explain with examples.

A. Old labour means labour that had already been done. New labour means ongoing labour. Cloth has to be stitched into a shirt. Cloth had already been made. Labour that made the cloth is old labour. The stitching labour that is being done on that cloth is new labour. Labour that made tools is also old labour. Labour that made the needle is also

old labour. The stitching labour done by means of the needle is new labour. To put it briefly, the labour that made the means of production is old labour., The labour that is taking place by means of those means is new labour.

2. What are the other names of old labour and new labour?

A. Old labour = Past labour = Dead/Non-living labour = Finished labour. New Labour = Present labour = Living labour = Ongoing labour.

3. What labour do the human beings do — old labour or new labour?

A. It is human beings who do any or every labour. It is human beings who did old labour. It is human beings who take up new labour.

4. Parvathy is stitching a shirt. Now, the labour that is taking place is old or new?

A. New labour is taking place. Old labour has already taken place. Cloth, needle, thread and buttons were already made.

5. A chair is made just now. Is the labour that made the chair old or new?

A. As the chair is already made, the entire labour that was spent on making it is old labour.

6. To make a shirt, we need cloth. To make cloth we need yarn/thread. To make yarn we need cotton. To make cotton, we need agricultural labour. Of all these labours, with which labour do we make a shirt?

A. We have to talk about that labour which is done on the raw material necessary to make a shirt. Cloth is the raw material for the shirt. Stitching is the labour that is done on that shirt. Therefore we have to say that 'the shirt is made of stitching [tailoring] labour'. In the case of any and every article, we have to talk about that labour which takes place in the process of making a given article as new labour.

7. Is the labour of tailoring enough to make a shirt? Don't we need the labour of weaving that made the cloth and the labour of cultivation that made the cotton?

A. The labour of weaving is necessary not for making the shirt but for making the cloth. The labour of cultivation is necessary neither for making the cloth nor for the shirt but for making cotton. If we start

considering the names of the past labours, don't we consider the plough-making labour and loom-making labour? Moreover, means are necessary to make a plough and loom. To make those means, we need other means. This goes on backwards endlessly. Therefore all that is irrelevant. Since a shirt is made of tailoring labour applied to cloth, we have to consider only tailoring. The entire past labour is present in the raw materials and tools. New labour adds to the old labours. This applies to any and every article.

8. What are necessary to produce an article?

A. Means of Production + Labour.
Old Labour + New Labour.

9.
What labour is present in this tool?
A. Old labour.

10. Does new labour take place separately and in isolation?

A. No, it doesn't. While the new labour is being done, raw materials and tools are consumed. Which means, old labour is also consumed along with new labour.

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16. How can we see the 'value'?

By looking at any article one could discern all its physical properties. One could realize what would be its use. A shirt for wearing. A pot for storing water. A chair for sitting in. Thus, the use values of things appear through their bodily properties. The value (the exchange value) of any article, however, does not appear when one looks at that article. Then, how can we see value that doesn't reside in the body of a thing? Does this mean that we cannot see it at all?

Why can't we see it? 'Value' means 'exchange value' only, isn't it? Exchange value will certainly appear when an exchange takes place.

We have already seen values. When an exchange took place between a pot and a pair of shoes, what has happened? What have we seen there?

Here, 'value' appears.
What is received in lieu of pot
is the value of the pot.
What is received in lieu of shoes
is the value of the shoes.

The value of the pot is –
the shoes.
The value of the shoes is –
the pot.

When the shoes are given away and a pot is accepted in return, the value of the shoes amounts to the value of the pot. Likewise, when a pot is given away and the shoes are accepted in return, its value amounts to the value of the shoes.

What if no exchange takes place for the pot at all? People at home are using it. They do not send it for an exchange. The pot has not left the potter. No other article is received in return. In such a situation, we cannot see the value of the pot.

If exchange does not take place for an article, does it mean that that article has no value? Does this mean that that article was not made out of labour and therefore has no value? Not so. No article can be made without labour. An article gets made to start with. Whether that article would be exchanged subsequently or not is a different matter. Regardless of whether or not an article gets exchanged, every article is made of labour. We can see the value of an article only when there is an exchange. If there is no exchange, there is no question of its value.

When a pot is exchanged, its value would be in the form of a different article, isn't it? Isn't it surprising that the value of an article is detached and exists separately from that article?

Questions and Answers

1. An article is made. If we look at it we will know its colour. Will we know its value?

A. No. We will not know about it because value does not stay in the body of an article.

2. A little earthen pot and a silver jug are side by side. If we look at them, it will be clear that the value of the little earthen pot is less and the

value of the silver jug is more, isn't it? This means the values of those articles are visible to us, isn't it?

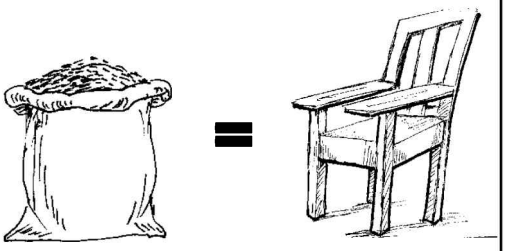
A. We must have seen such articles many a time before. We might have heard that the value of gold is more than that of earth. Based on such experiences, we can imagine to some extent the value of any article that we see. We assume that a little earthen pot would have less value and a silver jug would have more value, not because their values appear in their bodies.

3. What is the value of this article?

A. Don't know. Only when the pot is exchanged and another article is received, that article will be the value of the pot.

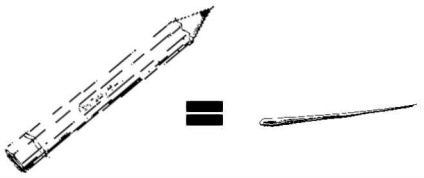
4. What is the meaning of this picture?

A. That these two articles are equal in labour value. Having given grain, the chair has been taken. Having given the chair, grain has been taken. This is barter system of exchange. The exchange that took place between the pot and the shoes is also barter system of exchange.



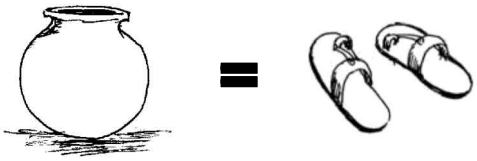
5. What does this mean?

A. It is an exchange.



6. What is the value of the pot?

A. The value of a pot is a pair of shoes.



7. What is the meaning of this picture?

A. If she stitches the shirt, he would wash her clothes.

17. Why does the value of an article exist outside of that article?

If a person makes an article and uses it for his own needs, we cannot know its value. We cannot see its value. If he gives away that article for free to others, then also, the question of its value does not arise.

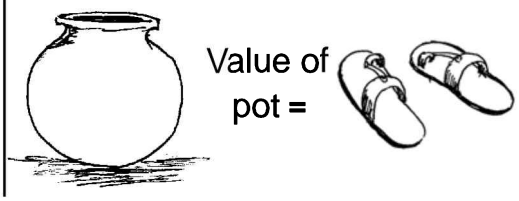
An exchange took place between a pot and a pair of shoes. When the potter gave away the pot, he got the shoes. Why did he get the shoes? Those who received the pot have to pay the value of the pot and therefore they gave the shoes for that value. Since the pot has gone into an exchange, its value has come. Now, the value of the pot appears as shoes. That is the value is in the form of the shoes! If we see the shoes, it amounts to seeing the value of the pot.

Similarly, with regards to shoes, the value of the shoes also appears as the pot. In the form of pot!

To say that the value of the pot is in the form of shoes means that the value of the pot is not present within the body of the pot. It is outside of the body of the pot. Likewise, to say that the value of the shoes is in the form of pot means that the value of the shoes is not in the body of the shoes. It is outside of the body. In order to be visible, the value of any article exists outside the body of that article as a different article. Whereas the Use value exists inside the article and not outside, doesn't it?

This means, in order to see the value of an article, we have to see another article!

Value of the pot is outside the pot !

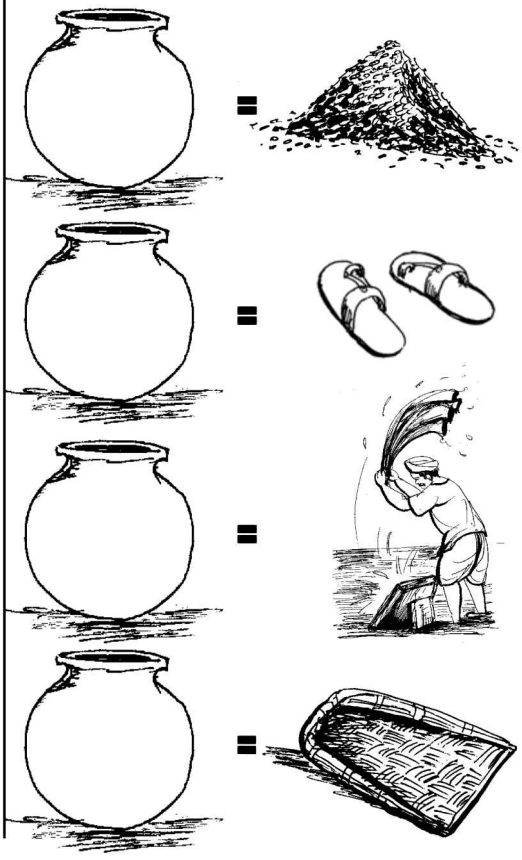


Why does the value of an article exist outside its body instead of being within? This is the question that must arise first and foremost with regard to value. We shall see the answer to this question later.

Does the value of a pot always appear in the form of shoes?

We have seen that the value of the pot exists in the form of shoes, haven't we? Does the value of the pot always exist in the form of shoes? – Not so. The pot doesn't always gets exchanged with the shoes, does it? Since the pot presently got exchanged with the shoes, the value of the pot now exists as the shoes. If the same pot got exchanged with an article other than the shoes, its value would exist as that other article.

Ramayya's household makes not one or two but many pots. The family members use only some of these pots for their own needs. They put the remaining pots in exchange and get different articles. They will not get only pairs of shoes in exchange for every pot. If they get shoes in exchange for one pot, they can get paddy by giving a different pot. And they can get a winnowing basket by giving a third pot. They may get their clothes washed for the fourth pot. Whichever article they get in return for a pot will be the value of that pot. The form of the accepted article will be the value of the given article. The value of one pot will be in the form of the shoes, the value of another pot in the form of paddy and the value of the third pot will be in the form of winnowing basket – This is how they exist. The potter will



offer a pot in exchange for an article that he is in need of.

The potters have given away pots and accepted different articles. In every exchange, the value of the pot is outside of the pot!

Let us suppose that 10 pots are of the same size and form. The labour that made them all is of the same kind. Their values are all equal. However, since the 10 pots would exchange each with a different article, each will have a value form of its own exchange.

Let us examine an article called 'paddy'. The paddy grower might offer some paddy and get a pair of shoes or he might offer paddy and get some jaggery in return. Although the entire paddy is of only one kind, since it exchanges with different articles, its value exists in different forms.

Whether the pot is exchanged with shoes, jaggery, paddy or any other article, what exists as the value of the pot is – another article. That value exists outside the body of the pot. Use value will not exist outside like that. It exists inside the body of the article. To know whether the pot is bigger or smaller, one must examine the pot. To know whether a mango fruit is sweet or sour, one must taste that mango fruit. However, to know the exchange value, one must look not at the article but outside of it. From this, one must understand that 'the use value' is a natural quality and 'the exchange value' is an unnatural quality.

Only the bodily properties are natural and desirable. A quality that is not related to the body and remains external is unnatural and undesirable – These are the issues that one must understand first.

Questions and Answers

1. Ramayya made 4 pots. All are of the same type. He gave them to different persons and took different types of articles from them. Do all the pots have the same value? Is the 'value form' of those pots the same?

A. All the 4 pots are of the same type. All have the same labour

time. Therefore, their 'value' is equal. But the forms of their values are not the same since those pots are exchanged with different articles. While the value of one pot is in the form of grain, the value of another pot will be in the form of shoes. Even though the value of all the 4 pots is equal, the forms in which the returned value appears are different.

2. Why does the value of an article stay away from and outside the article?

A. If value were a natural property, it too would have been in the body of an article like its 'colour' and 'weight'. Since it is not a natural property, it stays outside the article.

3.

What types of labour are these?

A. Old Labour.

4. Show the pictures of old and new types of labour in the work of washing clothes.

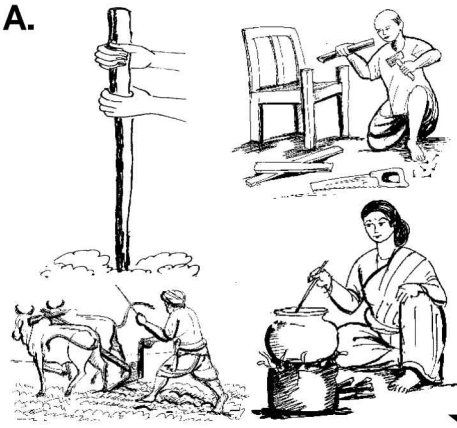
A.

5. Value means labour, isn't it? Then, how can 'labour' be unnatural?

A. To answer this question, we have to study 3 or 4 lessons more. We have to wait till we finish them.

6. Show some new types of labour.

A.



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18. Value is Unnatural !

Properties natural for an article are (1) its making and (2) its use – only these two. An article does not exist if we do not make it. If we want an article, we must make it. This is natural. If the articles made are not used, the needs will not be satisfied. To satisfy needs, we must use articles. Using articles is also something natural. These two aspects are essential for human life. We may understand these aspects easily.

But, are 'exchanges' too equally inevitable issues? Equally natural issues? Without exchanges, would it not be possible to make and use articles?

In the past, during the primitive stage, people survived making articles and using them without exchanges, didn't they? How was it possible?

For the making of a shirt, one must have a cloth, a needle and the thread, right? Making of a shirt would halt if one of these things is missing. However, must the cloth, the needle and the thread be procured only through an exchange? If they are procured without an exchange, can't the shirt be made out of them? Similarly, if the shirt made is not exchanged, can't it be worn? Would it refuse to slide over the body?

That means there is no relationship between exchanges and making of articles and their subsequent use. Exchanges are not natural needs. Articles are made and used even if exchanges do not exist. Exchanges are, therefore unnatural phenomena. This issue, however, is difficult to grasp. Nevertheless, it is imperative to understand that 'exchanges are unnatural'. Because exchanges are unnatural, the 'exchange value' that results from them is also unnatural. Because value is unnatural, it exists outside the article.

One is likely to get many doubts on this point.

First doubt: How can value be unnatural? Doesn't value mean labour? Without labour things cannot be made, can they? In that case, how can labour be unnatural?

Answer: Indeed labour is essential for making things. Tailoring labour is necessary for

making a shirt. Carpentry labour is necessary for making a chair. In this manner, without diverse types of labour, things cannot be made. Without labour, conversion of natural substances into things will not happen. Therefore, all types of labour that go into the making of things are natural. The aspect of 'unnaturalness', however, is not connected with the natural labour. It relates to the transformation of natural labour into 'value'. Highly un-natural activity takes place while natural labour transforms into 'value'. Only unnaturally trans-formed labour becomes 'value'. Therefore value becomes unnatural.

[Unless we know how labour transforms into value, we cannot grasp this issue here. We shall see this point in greater detail after some time in another lesson].

Tailoring labour is - natural. Its transformation into value is unnatural. Carpentry labour is - natural. Its transformation into value is unnatural. Exchanges are unnatural because only due to exchanges labour becomes unnatural. Exchange value is unnatural.

Second doubt: How can exchanges be unnatural? No person can make more than 2 or 3 articles, can he? But human beings need many kinds of articles, don't they? Without the system of exchanges, how can they procure other types of articles? How can the needs of the human beings be satisfied? How can exchanges be unnatural?

Answer: All these questions are excellent and intelligent. Questioning is an indication of thinking. There are right answers for all these questions. However, we cannot understand all of them here. We are yet to look at a few more lessons. True, a person cannot make all the kinds of articles that he needs. It is also true that due to exchanges, the needs of human beings are satisfied. However, all this is because human relations exist in a 'certain manner'. There is a kind of unnaturalness in these relationships. Exchanges have become necessary because of this unnaturalness. In the absence of such unnaturalness, there will be no need for the exchanges. When there is no need for exchanges, a situation will not exist where natural

labour is transformed into 'value'. We cannot see how all this would be possible right in this lesson.

'Why are exchanges unnatural? Why is value unnatural?' For those people who already got such doubts, a couple more doubts also must occur with regard to Exchanges. This is how it goes: (1) why does the value of the article exist outside its body instead of being inside? And (2) if the value of an article is a natural property, should it not appear always? Why is the value visible only when an exchange takes place and remains invisible when the exchange does not take place? One ought to get these doubts as well.

Since we started with the question 'what is money', we haven't even looked at 'money' until now. We are approaching 'money' shortly little by little.

[The questions that have to appear at the end of the lesson are present within the lesson. Hence, no questions at the end] ★

19. All the value belongs to labour! It does not belong to any material!

Could we say that an article is made out of only labour? To say so would be erroneous. Because, to make an article, 'labour' alone is not sufficient. A 'natural substance' should also be available, shouldn't it? That means, for the making of an article, (1) a natural substance and (2) the labour – these two items are required. Natural substance + Labour = Article. First and foremost, this is what we must learn about the article.

Now, the second point: Although two different elements are necessary to make an article, the value of the article does not belong to both the elements, but to only one. To the element called 'labour'. If we understand this point correctly, it amounts to understanding the essence of 'Economics'. If this is understood, all the subsequent points will be understood easily.

Let us take a shirt. Let us suppose that it needs 3 hours of

labour to make the shirt. The entire value of the shirt is that of the labour.

In the shirt, there is a material called 'cloth', isn't it? What about it? Doesn't it have a 'value'? Cloth has value. However, if we analyze how the cloth acquired its value, it will turn out that the cloth's value also had emerged from labour. The yarn in the cloth too has value. If we analyze how the yarn got its value, it will turn out that the yarn too is a product of labour. The cotton in the yarn too has value. That too is produced by labour. If we arrive at the place where the cotton was grown, it will turn out to be the natural substance called 'earth'. Earth has no value. When labour begins on a value-less soil, cotton will start growing.

If that cotton acquires some value, it is not because of the earth but because of various kinds of new labour performed in growing cotton and also because of past labours connected with the means of production. That value belongs to those types of labour, not to the cotton particles.

If the cotton weighs one thousand kilos, out of that we must consider how much cotton and its value are required to make the shirt. To make the yarn out of the cotton, the past labour of tool making will add to the value (past labour) of the cotton. After the new labour performed by means of the tools is also added, the resultant total labour will be the value of the yarn. Same thing happens when a cloth is made out of the yarn and also when a shirt is made out of the cloth. As the same process takes place at every stage wherein the past labour of the tools and the new labour performed by means of the tools will add to the past labour of the raw materials, the mass of labour would increase and as a consequence, the value would increase.

If the value of a shirt is 3 hours labour, it would mean that, beginning from the time of growing cotton, to which other types of labour are added in the subsequent stages, the final value would become 3 hours. This means, the entire value belongs only to those types of labour which took place starting from growing the cotton to tailoring, but not to any material present in the shirt. A shirt is

composed of some cloth, thread used in the stitching, buttons stitched onto the shirt and the stiff material inserted into the collar – so on and so forth. 'Value', however, doesn't belong to any element of any of these materials.

To understand the value of a thing, one must start from the latest, newly performed labour and go backwards examining all the types of past labour. When we say, 'past labour', up to which point in the past should we go? One must go up to the point when we find the natural substance. We must arrive at the point where the initial labour was performed. While moving backwards, all along the way, we must keep subtracting the types of labour added through the raw materials and the tools and see what would remain finally. If we move backwards examining the past phases of a shirt, we would find cloth behind the shirt, yarn behind the cloth, cotton behind the yarn, and the nature-given earth behind the cotton – This is how we find things. For any article, if we examine the past phases, we will find a phase where no labour is present. There appears a natural substance. If some labour is spent on this natural substance, it means that new labour is done where old labour does not exist.

A tree in the forest and fruits on the tree are natural substances. They have no value. If a person goes up the tree, picks a few fruits and brings them down, all that would be new labour. There is, however, neither raw material nor tools. This means that new labour takes place in the absence of old labour. That is where 'labour' began. If we examine this, we would understand where value has come into existence. We will know that once labour had taken place, that labour alone will be considered as value.

Looking at a pot, a chair or any other article, we would presume that its value belongs to its body; to the materials in its body. Value, however, doesn't belong to any material. This is not the case with the pot alone or with the shirt alone. That is how it is with a gold ornament or with a huge seven-storied building. That is how it is with a ship or an aeroplane. It does not matter whether the article is larger or smaller. Same thing applies regardless of how large the

article is. The value of an article is a part of the total of lakhs and crores of labour hours spent in various stages of its making: for making its raw materials, its tools and its auxiliary materials. That portion of the total labour itself is the value of that article.

Questions and Answers

1. Is 'labour' visible?

A. Any labour and every labour is definitely visible while it takes place. While stitching clothes, isn't the labour of stitching visible? While weaving takes place, is it not visible? Is cooking not visible? Similarly any labour and every labour is visible. Not only while it takes place but also after it is over. When we look at the articles, that labour appears in the body of that article. If we look at a shirt, we can make out that weaving and tailoring had taken place. Same is the case with any product.

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2. Natural substance + labour = Article, isn't it? But does natural substance appear in any article? Can we see the natural substance in a pot, shirt, chair or any other article?

A. If it is in the body of the article, we cannot see it. If it is not in the article, we can see the natural substance. If we look at the soil (earth), it is a natural substance. If we look at a forest and a hill, they are natural substances. If we look at a leaf or a fruit on the branch of a tree in the forest, they are natural substances. If we climb the tree, pluck the fruit and bring it down, then it is no longer a natural substance. That fruit is not something which remained as it appeared in nature. That fruit is a substance which came down by means of a human being's labour. The earth (clay) that appears in the pot is not a natural substance. The plank that appears in a chair is not a natural substance. We cannot see natural substance in any article. Look at any article, only raw materials appear. But if we take out labour from those raw materials, then we will go to the natural substance. If the natural substances do not exist, we cannot make raw materials. Hence, we say natural substance + labour = Article. This does not mean that natural substance appears in the article.

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3. What is the natural substance in a shirt?

A. Cloth is present in the shirt. Yarn is present in the cloth. Cotton is present in the yarn. Nothing is present in the cotton. But that cotton is not a natural substance. Natural substance does not appear in any article. Only raw materials appear.

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4. Isolating the stitching labour from the shirt, go to such a stage where there will be no labour! Where will you go?

A. If we proceed further by taking out each kind of labour from the shirt, we will reach 'cotton'. If we take out the agricultural labour from the cotton as well, we will reach soil (earth). To a soil full of stones and rocks where no agricultural labour had taken place. But, that earth is not present in the shirt.

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5. A shirt has to be made. Cloth, thread and everything else are there. But there is no needle. What will happen?

A. The work will stop. Work cannot proceed in the absence of any item in the means of production. ★

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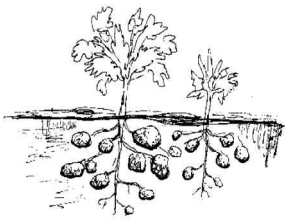
20. Natural Matter + Labour = Article
no value + Value = Commodity

When some labour is spent on a natural substance, the form of the natural substance would change a lot. When some soil is dug out of the earth, that soil is not any more the same that constituted the earth. If a pot is made out of the soil (clay), that pot is not the previously dug mound of soil any more. Regardless of how the forms of materials change, value belongs neither to the natural substances nor to the changed materials.

Move backwards examining the value of a ship or an aeroplane! The story of that value would move farther and farther backwards until it arrives at the earth or at the metal mines in the earth. One could see that to the labour that made a beginning at that point, new labour types spent over several hundreds of phases will be added, thus finally culminating in

making a ship or an aeroplane.

Let us take a simple example to understand that 'value means labour'. In a forest, there are a few tubers in the soil. Human beings did not expend any labour for the tubers to grow there. The tubers grew there naturally. The soil and the tubers are natural substances. They do not have a value.



To dig out the tubers, a tool is necessary. On the ground surface, next to the tree lies a small dry twig. That tree too was not grown by human beings. The twig on the surface of the earth too is a natural substance. That too has no value.

Using that twig as tool, let us say a person dug the tubers out and laid them on the surface. It took one hour to do this work. It means that person performed one hour of digging labour. Since no raw material is involved in the digging, no labour will be added for the raw material. Although a tool is involved in that work, no labour will be added for the tool either since it was not made of labour. The labour spent on digging out the tubers is only 1 hour.

Are the tubers laid on the surface natural substances? No. They are natural substances as long as they are in the soil and as long as they remain in the form in which nature created them. The tubers taken out as a result of some labour are not natural substances any more. Now they are materials made out of labour or a thing. Imagine we removed Labour from the tubers that are brought out on the ground, and it appears as if labour had not taken place! Then the tubers would still remain in the earth.

Tubers in the soil + some digging labour = tubers on the surface. Presently, who do the tubers belong to? They belong to that person who made them come out to the surface.

The tubers on the surface now have a 'value'. The labour spent on them itself is their value. The value is as much as the labour that was spent. The tubers acquired a value after

they emerged on the surface, a value that was missing when the tubers were in the soil. Why?

Does the value which the tubers acquired belong to the bodies of the tubers or to the labour that brought the tubers onto the surface? It belongs to the labour alone. Without spending labour, the tubers would not be on the surface. They would have remained buried under the soil. Then they would not have any value. They will have a value only when they are brought out. That value belongs to the labour that was spent in bringing them out.

A question: Why should we presume that the tubers on the surface have a value? It is true that some amount of labour was spent in bringing them out. Why should that labour acquire the name 'value' just because of that? We can use the tubers without that name, can't we?

Answer: True. This is a very good question. If the person who spent labour for the tubers uses them, then there is no question of 'value'. 'Value' means 'exchange value', isn't it? There will be a reference to 'Value' only if an exchange has to take place.

When a person makes an article with his labour, he alone would have the right to that article. That article will become his own. That right would be conferred only through the labour. That right is an appropriate one. Can the tubers, dug out by one person after 1 hour of labour, be taken away by another person for nothing? It won't be possible. The second person also will agree that the tubers belong to the first person. If it were the second person who performed the labour, the first person would also agree that the tubers belonged to the second person. Therefore, the tubers on the surface presently belong to the first person. Because it was he who did the labour. Should the second person take the tubers, he must offer a different article whose value is equivalent to that of the tubers. Alternatively, he must perform a task equivalent to the value of the tubers. If he does so it would amount to taking the tubers after giving (paying) their value.

Tubers in the soil + Labour = Tubers that have been brought out.

Value of those tubers = That labour.

The word 'value' is used only

when exchanges have to take place. If people use articles for their own needs without any exchange, there would be no need for value calculations. For exchanges to take place, value calculations are necessary because one must know if the values of the article being given away and the one being accepted are equivalent.

The 2 articles get a new name 'commodities' at the time of the exchange. Once the exchange is finished, they will again be 'articles'.

Let us suppose that two persons held a stick each and dug those tubers. It took half an hour to do that work. Half-an-hour each. It amounts to the fact that both of them did equal labour. Even if there is a difference of couple of minutes, it is negligible. Both of them can use the tubers which they dug out. Then the question of exchange or question of value does not arise.

Suppose that four or five persons do agricultural labour together on the land. All of them have done the work with equal responsibility. Finally they got the crop. All of them together consumed it. While doing labour, they did it responsibly and while using the crop also, they did it with responsibility. The fact that those people laboured together implies that they were living together. If the relations of the people who labour together are this way, there won't be any value calculations and exchanges.

But, human beings are used to doing labour separately and individually. This has been the situation in the past and it continues till the present day. In view of this, we have to understand as to why exchanges and value calculations are necessary.

The more the labour, the more the value:

Let us take 2 different metals of identical weight, 10 grams of copper and 10 grams of gold. The value of which metal is higher? The value of gold is higher. The value of copper is lower. Why is this so?

More value means more labour, isn't it? Less value means less labour. This means it would take a lot more labour to make 10 grams of gold than to make 10 grams of copper!

The value of a diamond is

much higher than that of the gold of the same weight. Why is this so? It would take a lot more labour to make a diamond than gold! It would mean that the labour that is needed to make any article is its value. If the labour is more, its value will be more. If the labour is less, its value will be less.

Questions and Answers

1. Tubers lying under the ground do not have value. But, tubers that are above the ground have value. Why?

A. Tubers lying under the ground are a natural substance. No agricultural labour has been done for making those tubers. But a human being has done labour to get those tubers above the ground. Since some labour has been done for the sake of those tubers, it (the labour) acquires value. If others want to take those tubers, they have to give another labour for that labour of getting tubers above the ground.

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2. The value of gold is more than that of coal. Why? Is it because gold is available in less quantity than coal? Or is it because it needs more labour to get gold?

A. Since it needs more labour, more value for more labour. Less value for less labour. The reason for the need of more labour is that gold is available in less quantity. But we have to explain the reason for 'value' in terms of 'labour' only. As it involves more labour, it will have more value. This should be the answer. Then there will be no scope for another question.

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3. Let us suppose that some people are doing labour collectively. Even then, how many kinds of articles could they produce? Two such groups of people function separately. Will there be any need for exchanges? Otherwise, how will the needs be fulfilled?

A. Yes. We need to raise such doubts as these. But this lesson is not enough to understand this point. We have to see many lessons. What we have to understand is this: If two persons dig those tubers both of them can use them. If only one person worked while another person sat idly, will both of them have the right to use those tubers? If both of them do the work? If only one person does that work and the second person does not do? These are the points which we have to understand here. We will understand other things later. ★

21. Problems in the Barter system of Exchanges!

Barter type exchanges mean accepting an article or some work in exchange for another article or work. At times one might also encounter many difficult situations due to the barter system. Let us see an example!

Ramayya's shoes have become old and worn out. Although inconvenient, somehow he has been managing with the same shoes and getting along. One day, he found time, took a new pot along, went to the shoe maker Somayya and said as usual, "give me a pair of shoes, Somayya"

Somayya smiled and said

"We don't need a pot right now, Ramayya. The old pots are just fine".

Ramayya too smiled and said "Don't you need it now? Is that so? Never mind. Tell me what you need. I will bring it and take the shoes".

"What do we need? I was about to go out to get jaggery. My wife said that she would go out herself in the morning. Let me ask her whether she did go or not. Hold on!" While Somayya was about to call out for his wife, she herself arrived. "How could I go? If only I could get out of this toiling. I have been thinking of going after *boiling the grams* just now" she said.

Ramayya rose happily, picked up the pot from the floor and said "No problem. Why do you have to go now? I will bring jaggery and take away the shoes. I will come back in a second."

Saying so he briskly left to see the jaggery-maker, Venkanna.

"Venkanna! Take this pot and give me jaggery! Actually I went to Somayya for the shoes. But he does not need a pot, he wants jaggery. I agreed to bring jaggery and I am here for the same.

I have to carry jaggery with me, give it to Somayya and collect shoes. Venkanna! It has been too troublesome since my shoes are torn. When I went to dig soil, there were too many thorns there. I have a real tough time as I don't have shoes. Let me have the jaggery quickly, so that I can leave. I have a lot of work pending with the soil,' he said quickly.

Venkanna, the jaggery-maker, looked a little uneasy. "Alas Ramayya, we too don't need the pot. Only the day before yesterday my wife brought two pots and two pans from your younger brother's house," he said.

Ramayya grew a little worried. "You too don't need a pot? My goodness, what should I do now? I thought of leaving early. Alright, tell me what you need! I will get it for you, take jaggery for Somayya, wear shoes and shall leave for my home. Tell me quickly what is that you need" he hurried.

"Hey, come here" Venkanna yelled fondly for his wife. "You wanted a broom or some such thing. Do you want me to get one?" he asked.

She arrived sweeping with a new broom and beating it with her hands, she said: "I brought a broom only yesterday, but I need a small winnowing basket. The old one has got holes in it. Please bring me a winnowing basket, brother Ramayya."

Ramayya quickly picked up the pot. "You want a winnowing-basket, right? It is not a big thing. I will bring it from Veeramma. Venkanna, please weigh and keep the jaggery ready for me. I must leave for my home quickly" saying this he walked briskly and crossed the threshold.

Venkanna called out loudly from behind, "Look Ramayya! Alright, take jaggery and collect the shoes. We will think about the winnowing basket tomorrow," he said.

"Never mind, why roam around again tomorrow? Won't I return in a second with the winnowing basket?" saying this limping with sore feet, Ramayya somehow managed to reach Veeramma.

He quickly recounted the matter. "Look Veeramma, how my shoes are broke and how my feet are cracked. It has become an ordeal to set feet on the floor. I have to take your winnowing basket and give it to the jaggery-owner, take their jaggery and

give it to the shoe-maker and then only I can collect my shoes. Look out for a hard winnowing basket for me, Veeramma! I have been roaming around for long. Must go quickly. I have a lot of work at home," he said and squatted on the ridge.

As Ramayya narrated his woes, Veeramma lent him a sympathetic ear "Alas, you didn't get the shoes, poor thing," she kept saying all along. "Haven't we stopped drinking water from the pot a long time ago, brother Ramayya! Haven't all the people at home been suffering from the menace of Asthma? Subbayya, the quack, advised us not to drink cold water. We removed all the pots and stored them up in the loft. What shall we do with a new pot? Well, take the winnowing basket if you need it. We will settle the account later" she said affectionately.

Ramayya listened to all this quite perplexed. "You too don't need a pot? Stopped using pots! What is this? Then, how will I get shoes? Even if I take the winnowing basket from you now, what can I give you later? You folks have stopped using pots, haven't you? Very funny! Well... will you tell me what you need?... Nay, I shall go home. How much longer can I roam on like this?" saying this, Ramayya kept the pot on his shoulder and turned back.

In the meanwhile, Veeramma picked up a large winnowing basket from the stack and offered, "Take this brother."

"No sister! What should I give you later?" said Ramayya and left limping and sad.

What was Ramayya's problem? He could not get the article he wanted. Not only he, everyone would face a situation like this some time or the other. This is the problem which people face in the barter system. What then, is the solution?

[No questions in this lesson**]** ★

22. Money has arrived!

We started the very first lesson by asking the question, 'what is money?' Now we are going to see 'money'.

In the 'barter system of exchanges', where an article is exchanged for a different article, one may or may not get an article of his choice at an appropriate time. What is the solution for this problem?

A solution had already been found a long time ago – by the emergence of 'money'! Money ensures the availability of any article at any time! This means, money solves the problems of the barter system of exchanges with great ease!

What, then, is 'money'? How was it *born*? How does it solve the problems of the exchanges? – We must look at all these issues in a sequence.

'Money' is also an article. It is, however, an article devoid of any natural use value. That is the speciality of money. Money is not made of soil, cotton or wood. It is made of a metal called gold. Money exists as a small round coin with a special form. On that coin are engraved certain letters and the figures of the rulers of a given country. It is a 'coin'. A gold coin of such form is – money. That form is not like the shape of any other article. That coin has got a name. A name of a 'Rupee'. That coin is 1 Rupee.

How was the money *born*? It was *born* out of the exchange relations and only for exchange needs. Materials like coal and oil are available inside the earth, aren't they? Similarly, the people in the past had discovered that metals like silver and gold too are available inside the earth. But, no metal is available as abundantly as coal. Not 'gold' certainly. Let us suppose that it would take 2 hours of labour to dig out coal of 1 kilo weight. To dig out gold of the same weight, it would take a labour thousand times greater. This means, the value of gold of the same weight is much greater than that of coal. More labour is required, and therefore more value.

In the previous lessons, we have seen that an article is made when various kinds of labour are

expended on natural substances, haven't we? Same is the case with gold. The gold mineral present in the earth – is a natural substance. It contains no value. We have to do several types of labour in order to extract gold and convert it into a block. In the previous lessons we have also seen that the value of an article belongs, not to the substance, but to the types of labour spent in making that article. Same is the case with the value of gold as well. The value of gold doesn't belong to the natural substance present in its body. That value belongs to the series of labour types spent on that natural substance.

The money coins were not made right in the beginning when gold was discovered. In the beginning, articles like chains, bangles and rings were only made out of gold. They were only ornaments, not money coins.

Since gold is also an article, there were exchanges between small pieces of gold and other articles. They were exchanges by means of the barter system. One may offer a chair and accept a small piece of gold in return, equivalent to the value of the chair. Once four such gold pieces were obtained, one may get a jewel made out of them. One could get pieces of gold by offering a blanket or some grain. One could get a cow by offering a piece of gold.

When there was no need for gold, no one would take it. Exchange with it would not take place. When there was no need for the pot, it was not exchanged, was it? The same principle applies to gold also.

While gold pieces and gold jewelry were in existence, let us imagine the existence of gold coins too. As the word 'money' was *born*, new words like 'selling – buying – price – commodity' also emerged.

Let us now see what one could do with the money coin.

Ramayya, the potter needs shoes. But now, he will not go straight to Somayya, the shoemaker. First, he will go to the person who has the money coins. Let us suppose that Suranna has money coins and that he needs a pot for his household. (We will know later why Suranna had money coins. To understand the matter, initially we must presume that some people have money coins).

Suppose Ramayya went to Suranna with his pot and asked, "I will sell this pot. Will you buy it?" Since Suranna was in need of a pot, he said, "Yes, I will buy. What is its price?"

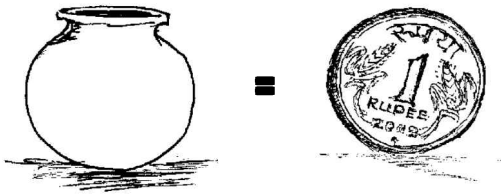
"Price? Of course you know that. One Rupee", said Ramayya.

"One Rupee? No discount?" asked Suranna.

"You are a fine chap Suranna! It is strange that you are bargaining!" smiled Ramayya.

"Alright, let me have it! Is the pot good? Hope there are no holes and cracks," said Suranna and took the pot and checked its whole interior. He kept the pot beside himself, pulled out a small pouch from his waist and took out a coin from it. "There you go, one Rupee," he said and put the coin in Ramayya's hand.

Ramayya immediately touched each of his eyes with the coin, placed it into the loin cloth around his waist, wound the cloth several rounds and



fastened it so that the coin won't fall down. "I shall go now, Suranna!' he left the place with a smiling face.

What has happened between Ramayya, the potter and Suranna, the owner of the money coin? An exchange took place between Ramayya's pot and Suranna's money coin. It means the pot had as much value as the gold coin had! Hence, there was an exchange between the two.

Ramayya sold the pot and received money.

Suranna bought the pot and gave money.

If we know that 'money means gold coin', it does not mean that we know about money fully.

Questions and Answers

1. What is 'money'?

A. We simply know that even money is something made of labour and it is a coin made of gold. We do not know more than this.

2. What is 'selling'? What is 'buying'?

A. 'Selling' means giving an article and taking money. 'Buying' means giving money and taking article.

3. An exchange takes place between an article and money. Who performs the act of *selling*? Who performs the act of *buying*?

A. The person who gave the article performed the act of *selling*. The person who gave the money performed the act of *buying*.

4. Ramayya, the potter has 1 rupee with him. How did he get that money?

A. Ramayya got that money by selling some pots which he made.

5. What is 'price'? Is it value?

A. Yes. Another name of value is 'price'. But when we speak of price, it indicates that an exchange had taken place not between two articles but between one article and money.

6. If someone gives a pot and takes shoes in return, does it not mean that the pot is sold and the shoes are bought?

A. Yes, it does mean that. But, in the barter system of exchanges we don't find terms like 'selling' and 'buying'. These terms came into existence only when exchanges took place between articles and money. ★

23. What do people do with Money?

Ramayya wanted 'shoes', didn't he? Then why did he accept the 'coin'? What will he do with the coin?

After seeing what Suranna did, we should not get this doubt if we think cleverly. What did Suranna do with the money he had? He gave it off and bought a pot, didn't he? Likewise, Ramayya would also do the same thing with the money he got. Can't we imagine that? Just as Suranna purchased the pot by offering the money, Ramayya too will offer money and purchase the shoes, won't he?

In the first place, why was that money-coin with Suranna? How did he get it? If one gets these doubts before Ramayya came to Suranna, indeed they are smart questions. But, if one still continues to have these doubts, even after seeing Ramayya, then they are unwise doubts. If one knows how the money coin came into Ramayya's hands,

one can also understand Suranna's case. How did Ramayya get the money? He got it by selling his article. Suranna too must have got it in a similar way. Suranna too must have sold an article that he made. And must have earned the money – Can't we understand this much? If we apply our thought and get hold of the fundamentals, we will be able to understand everything.

However, by looking at money we cannot understand what kind of articles Suranna would make. We must therefore assume that Suranna would perform a certain kind of work. Let us suppose that Suranna would grow corn and that he earned four or five Rupees by selling a small quantity of the corn. This means, he gave one Rupee, out of that money and bought the pot! How would any one get money? Only by selling some kind of an article.

We said that prior to the exchange between the pot and money, Ramayya himself came to Suranna with his pot. However, it doesn't mean that it should always happen like this only. Suranna, might go to Ramayya with his one Rupee and ask for the pot. It doesn't matter who goes to whom. The main point is that an exchange has taken place between the pot and the money.

Alright, Ramayya got one Rupee by selling the pot. Now, what will he do? Will he put that Rupee in a trunk? If he puts the money in a trunk, how will he get the shoes? Even if he puts that rupee away for four or ten days, finally he has to take the Rupee out of the trunk.

Ramayya needs the shoes urgently, doesn't he? Hence he left for the shoemaker Somayya immediately with the Rupee fastened in his waist. "Somayya! I want a good pair of shoes. What is the price?" he asked.

"Don't you know that? Why do you ask as if you are a new customer? Isn't it one Rupee?" said Somayya.

"One Rupee? Of course I know. Asked just to see if there has been some reduction," said Ramayya.

"You are bargaining like a stranger!" said Somayya smiling.

"Alright, take the money" saying this Ramayya took out the Rupee from the folds of the cloth fastened round his waist and placed it in Somayya's hands. He collected a pair of

shoes, wore them right away and left quite delighted.

When Ramayya goes to Somayya to buy the shoes, will Somayya refuse to accept the money? Will he say, "Now I do not need gold coin. I won't give you shoes. I don't want gold". He won't. Somayya knew what Ramayya was going to offer. It was not an ordinary piece of gold. It was money! It was money coin! He knew what people would do with it. In fact, Somayya made several pairs of shoes only for sale. The more the number of buyers, the happier he would be. While accepting money, he knew how it would be useful for him later on. Therefore, he took money and gave shoes.

Ramayya once faced a lot of difficulty in getting shoes although he was in a great need for them because of the barter system, didn't he? Now, in the money system, has he faced any such difficulty? No. He could get shoes very easily. First, he got money, when his article was sold. Later, when bought with the same money, he got the shoes. Ramayya was a seller when he sold his pot and a buyer when he bought the shoes.

Whoever wants whatever article, he would first sell his article. Then, they get money. Later on with that money, they will buy the article they need. In this manner they get the required article easily by means of two exchanges only. If it were the barter system, one may or may not get immediately the article one is in need of. Why is this difference between the barter system and the money system?

What is the difference between Money and ordinary article which is not money?

Take an ordinary article (other than the 'money coin') like a pot or a pair of shoes. It will have some kind of a natural use value. The 'values' of such articles will not create any problem for an exchange to take place between such articles. The problem will arise due to Use-values only.

Suppose when the potter was in need of the shoes, the shoe-maker was not in need of the pot. Which of the properties of the pot is objectionable for the shoe-maker to accept the pot? Not the 'value' of the pot. The pot too contained as much value as the shoes. If the shoe-maker gives shoes and takes pot, he can get

back whatever value he gave. Therefore, the problem is not of the 'value'. The whole problem is the with the 'use value' which the pot gives. The shoe-maker presently doesn't need it. If an exchange has to take place between articles having natural use values, a problem will arise from the very use values. Although the articles possess value, there exists a use-value associated with it and hence the problem will be with that use value. If exchanges have to take place between articles, their use values will stand as a hurdle, sometime or the other.

For exchanges to take place with great ease, a strange article that is devoid of any kind of use value but possesses only 'the value' is needed.

'Money' is such a strange article. See how strange an article it is!

Questions and Answers

1. How does any one get money?

A. A person gets money if he sells an article that he made or, if he does some work for others.

2. Won't there be other ways of getting money?

A. There will be. We will see them in subsequent lessons.

3. Will a person get money even if he doesn't sell an article? Will he get money even if he does not do any work for others?

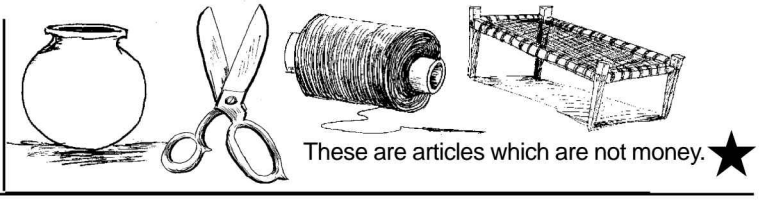
A. We will deal with this point in subsequent lessons.

4. Ramayya, the potter grew his hair like a bush. He does not have money to pay the barber. The barber wanted money immediately because he too has to pay to a doctor. Therefore he told Ramayya that he would cut his hair only if Ramayya pays him money. Then, what will Ramayya do?

A. He can borrow money from someone, pay the same to the barber and get his haircut. Or he may postpone cutting of his hair till his pots are sold and money is obtained.

5. Show money and some articles which are not money!

This is money.



These are articles which are not money. ★

24. Money is a strange article that lacks 'use value' and possesses only 'value'!

For exchanges to takes place rapidly, a system is necessary where use values will not become a hurdle. A thing that possesses only value but no use value is needed. Exchanges take place easily with such an article. An article that came into existence only to satisfy this need is – the money coin.

Money coin is made of gold (not only gold, it is also made of silver, but let us ignore silver). Because gold contains value, the money coin which is made of gold too contains value. However, since this article is in the form of a coin, it will not have any kind of natural use value which ordinary articles have. Unlike articles such as pot, shoes, chair or blanket, the money coin will not be useful for any kind of natural needs. But, the money coin too has a use value. Its ability to exchange with articles is its use value. The coin was born only for this. Except for exchanging with other articles, it will not satisfy any other natural need.

That means, although money is an article and possesses a use value, it is neither a natural article nor its use value is a natural one. Therefore, it means that an article that exists as money is totally devoid of any use-value.

Since that coin lacked any kind of use value, it has become 'money'. If it possessed some kind of use value, it too would have become some kind of a normal article. For an exchange to take place with it, its use value would have become a hindrance at one time or the other.

If the use value of an article breaks free and distances itself from the article, and only the value is left behind, how would that article look like? It will remain without any association with any kind of use value. Money is - that kind of an article! Since it exists only as value, that value can exchange with (buy)

any ordinary article from the world of articles. Money will acquire that qualification. People who would like to sell their articles will not have any objection to give their articles and accept money. This way, money has become a means that could wonderfully solve the problems of the barter system of exchanges.

Buying and Selling:

Three persons are involved in the example wherein Ramayya sold a pot and bought shoes. (1) the person who sold the pot (2) the person who bought the pot and (3) the person who sold the shoes.

(1) The person who sold the pot: This person sold an article which he made. He got money equivalent to the value of that article. It was 1 Rupee. That money was the 'value' of the pot. Now, that pot was not his any more. Only that Rupee belonged to him. He needed shoes at once. He bought the shoes. The value of the shoes was – 1 Rupee. That money has left. The shoes have arrived. Now, that money was not Ramayya's any more. Only the shoes belonged to him. Since he sold the pot which he made with his own labor and bought the shoes with that value, the value of his article did not go any where. He got back his value.

(2) The person who bought the pot: This person is someone who performs the labour of growing corn. Since he sold a part of his article (corn), he has some money with him. From that money, he bought the pot with 1 Rupee. The value of his corn did not go any where. He got back his value.

(3) The person who sold the shoes: This person makes pairs of shoes with his labor. He sold one pair and collected 1 Rupee. The value of his article did not go any where. That money came in its place. What will he do with that money later? He will buy some article needed for his household. Otherwise, he will have the coin melted and convert it into a ring or some other article. Then the money will not exist. The jewel will remain. Since the jewel is made of gold, it will also have a value.

Selling and buying took place among these three people. When an article departs and money returns, it is – a sale.

When money departs and an article returns, it is – a purchase.

Here three different articles — namely, the corn, the pot and the shoes appear.

One person sold corn and bought the shoes.

The second person sold the pot and bought the shoes.

The third person sold the shoes and will purchase something else. He has not yet bought.

Among these, between which of the two articles did an exchange take place? Take the pot for instance. Did the pot exchange with the corn or with the shoes?

It appears to the corn person as if the exchange took place between the corn and the pot, since he sold the corn and bought a pot with that money.

It appears to the potter as if the exchange took place between the pot and the shoes, since he sold the pot and bought the shoes with that money.

It appears to the shoe-maker as if the exchange took place between the shoes and the paddy, in case he buys paddy with the money he gets after selling the shoes.

Which of these is true? None of them. These are not exchanges of the barter system. Here, no exchange took place directly between 2 different articles. Each article exchanged only with money but not with a different article. The pot exchanged neither with corn nor with shoes but only with money. That money subsequently exchanged with the shoes. Thus each article is exchanged only with money.

Questions and Answers

1. What is 'money-article'? What is 'ordinary article'?

A. Money-article means gold coin that lacks any use value. All the articles other than money are ordinary articles.

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2. How do we overcome the difficulty that we face in the barter system when we enter into money system of exchanges?

A. Even though money is also an article, it is not an ordinary article. It will not have any use value. The person who wants to get jaggery by giving a pot, sells the pot first and then gets money. Later he gives

money and buys jaggery. In this manner, in the money system of exchange, every one would get whatever article they want at once. The problem of barter system would be solved by means of money.

3. A chair-maker (carpenter) sold a chair and got 1 gold rupee. Is this also an exchange?

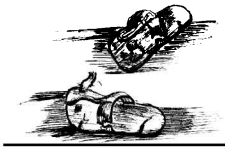
A. Yes. It is an exchange that took place between a chair and a gold coin. The gold coin has as much value as the chair has. That is why, an exchange took place between the two.

4. When will the use-value of this article leave it?

A. If the pot cracks or breaks, it will not be useful to store water any longer. We can store either husk or rice.

5. What will happen to this coin if its use value is lost?

A. If this coin loses its shape, it will become a lump of gold. That lump will become a raw material to some gold chain or article.



6. Does this have use value?

A. No. The *chappals* are torn. No use for them. ★

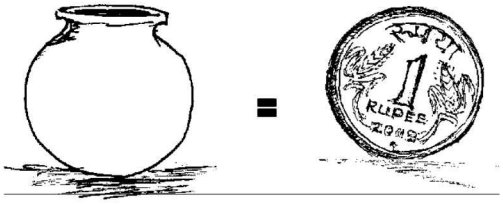
25. Is Money a mediator of Exchanges?

Money appears as a mediator between different articles. But, that too is not the truth. In the example of the corn, pot and shoes, between which of these 2 articles did money function as a mediator? For the pot to exchange with the corn or with the shoes? Did the pot exchange once with the corn and the next time with the shoes? The pot did not exchange with any article except money.

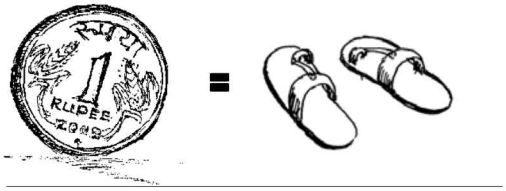
Let us see, with the help of diagrams, the process in which the pot has left Ramayya and the shoes have arrived.

First, the pot had left and

money has arrived.



Next, money had left and the shoes have arrived.



Did the pot exchange with the shoes?

Did the shoes exchange with the pot?

The 2 articles did not exchange with each other directly.

The pot has exchanged with money.

The shoes also have exchanged with money.

If we consider *Jowar* prior to the pot, *Jowar* too exchanged with money. The *Jowar*-seller gave that money and took the pot.

Every article would exchange with money only and not with any other article.

The pot did not exchange with either *Jowar* or the shoes. The pot did not exchange with any article except with money.

The function of money is to exchange with one article or the other always. That is all. It has no role to play beyond this. But, because of this minor function of money, selling one article and buying a different one takes place with ease.

In the barter system, when Ramayya went with a pot as exchange for the shoes, he did not get them even though the shoes were readily available, did he? But, if he takes money along with him, he would definitely get the shoes; at least a little later, even if they were not ready. The shoe-maker will say, “The shoes are not available right now. But I will make them soon and give you”. Unlike in the barter system wherein he says, “we don’t need the pot now”, he will not say now, “we don’t need money now, I won’t give you the shoes”. It means, when we go with money to buy something, the article on the other side will not be reluctant to undergo an exchange with money. Any article will come running for a relation with money.

Money is the form of value for all the articles. This is the main

feature of money. We will see about this point in subsequent lessons in detail. For the present, we will see some points concerning money system.

Some minor points concerning money:

(1) Because of money system, new words like 'selling, buying, price and commodity' would originate. Articles that are ready for sale are – commodi ties. Because of this, it is clear that 'these articles are meant only for sale'. When we make a pot and use it for our own need, then it is not a 'commodity'. If we cook rice at home, it is not a 'commodity'. If we put them for sale, they are commodities. After the sale, they will again be articles. When we buy a commodity outside and bring it for our own use, then again it is an article.

Whenever we come across a word 'commodity', we have to remember that 'commodity means an article; but it is for sale.'

If there is no need to sell the articles after they are produced, we can use them immediately. But if it is necessary to sell the articles after they are produced, it is not possible to use them immediately. New articles will be ready. But many people will need them. Yet it is not possible to use them. Someone should sell them. Someone else should buy them. Only then those articles will go into consumption.

(2) Could we know the values (prices) of the articles that are not sold but used in the household? Yes, we could. This is how we could know: Same kinds of articles are sold outside, aren't they? If the value of a pot sold outside is 1 Rupee, the price of the pot in the household will also be the same, won't it be? If it were sold soon after making, the pot would have earned 1 Rupee, wouldn't it? In this manner, depending on the values outside, the value of the item not sold outside too could be understood. But, articles that do not enter into sale are not commodities. The question of their value does not arise.

(3) Does it mean that after the money system emerged, ex-change of articles had stopped?

Not so. Whether in barter system or in money system, what happens is exchange of articles. It is only exchange of articles from one side to the other.

(4) In barter system, there are no words like 'selling', 'buying' or 'commodities'. Yet, these 2 activities take place. When a pot is given and the shoes are accepted, and when this is seen from the pot's side, it is selling the pot and buying the shoes, even though these words were not in use then. If we see from the side of the shoes, it is selling the shoes and buying the pot.

(5) In the barter system, selling and buying take place in a single act of exchange. But in the money system, selling one article and buying a different article with that money takes place separately. If we give a pot and take money, it is selling of the pot. If we give that money and take shoes, it is buying shoes. In this manner, sales and purchases separate in the money system. Whatever happens in the case of the pot, the same thing happens in the case of shoes.

(6) The word 'value' in the barter system of exchanges becomes 'price' in the money system of exchanges. The word 'price' indicates that the exchange took place by means of money. When an exchange takes place between a pot and 1 Rupee, the price of the pot is - 1 Rupee. Likewise, if an exchange takes place between money and the shoes, the price of the shoes is – 1 Rupee.

There are synonyms for the word 'price,' like 'cost' and 'value'. In the barter system of exchanges, we find the word 'value' only.

(7) In the barter system, when a pot is given and the shoes are accepted, it is selling the pot and buying the shoes, isn't it? And in the money system, when a pot is given and money is accepted, is it the same as selling the pot and buying money? When money is given and the shoes are taken, is it the same as selling money and buying the shoes? Words like selling and buying are applicable to ordinary articles and not to money. In the case of barter system, ordinary articles exist on

both the sides and hence these words could be used for those 2 articles. Selling one article is buying a different article. Likewise, buying an article is also selling another article.

In the money system, however, the ordinary article exists on only one side. It is this article that is sold and bought. Money exists on the other side. Those words don't apply to money.

When a pot is given and money is taken, one person sold the pot and another person bought the pot. However it doesn't mean that 'one person sold money and another person bought money'.

(8) Yet, there are also farcical things like selling and buying money. It happens when people want to give away one country's money and take the money of a different country! That is, when money exists on both the sides! At the moment, it is irrelevant for us. What we see here is regarding the exchanges between articles and money.

Questions and Answers

1. What is a 'commodity'? Is it an article or not?

A. It is an article. An article ready for sale is a commodity.

2. Is money a mediator of exchanges?

A. No. It is a means of exchange. That's all. Its function is to exchange with commodities.

3. Once you went to a shop, gave 1 rupee and purchased 1 pencil. The rupee leaves your hands and the pencil comes into your hands. Have you understood what has happened there?

A. An exchange has taken place between 1 rupee and 1 pencil. Earlier we were not aware of this term 'exchange'. Now whenever we buy an article, we know that it is an exchange.

4. A man got into a bus to go to a village. He gave money for the ticket. He got off the bus when it reached that village. Between what things did the exchange take place?

A. An exchange took place between the commodity called 'travel facility' (labour of transportation) and money.

5. A woman had high fever. She went to a doctor and received treatment. She gave money. Between what things did the exchange take place?

A. Between the commodity called 'medical facility' (medical labour) and money.

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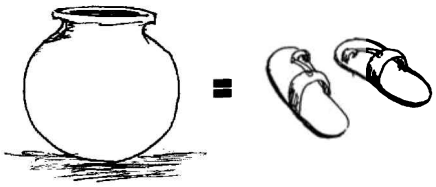
6. What is this?



A. Value of a Pot is a pair of Shoes.

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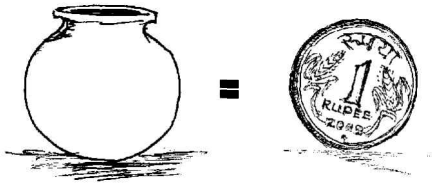
7. What is this?



A. The price of the Pot is one rupee.

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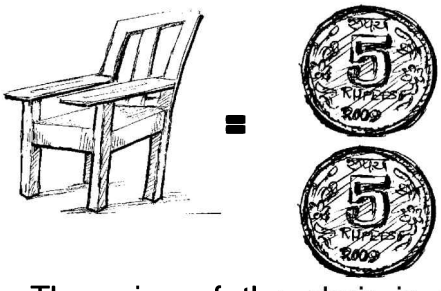
8. What is this?



A. The price of the chair is 10 rupees.

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9. What is the difference between a 1 rupee coin and a 10 rupee coin?

A. The 10 rupee coin contains gold worth 10 times more than the 1 rupee coin.

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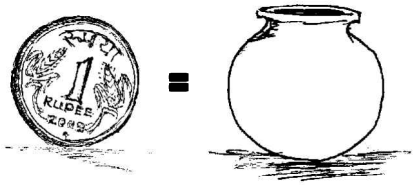
10. Is the pot the price of a rupee?



A. No. Money does not have price. Ordinary articles have both value and price. If we get an article in exchange for another article, it is value. If we get money, it is price. Money exchanges with ordinary articles, but it does not exchange with money. If a rupee exchanges with a pot, then the pot will be the value of the rupee.

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11. Is rupee the price of one rupee?

A. Rupee does not exchange with rupee. A rupee is neither the value nor the price of another rupee. ★

26. Money is the 'value form' of all the articles

Now we will see the most important feature of Money.

Though there are several differences between the barter system and the money system, the main difference is in respect of the 'value form'. In the barter system, when there is an exchange between a pot and the shoes, one must see the shoes to see the value of the pot. And one must see the pot to see the value of the shoes. The values of the pot and the shoes are equal. Yet, the forms in which those values appear are not the same. Each article has its own value form. Those values appear in the form of different articles.

Even if we consider the same kind of articles, their values do not have the same form always. If 10 pots of the same kind are set for an exchange, all of them will not exchange with shoes only. They will exchange with different articles. Therefore, the value form of one pot will not be the same as that of the other pot.

But in the money system of exchanges, the value form of a given article doesn't belong to that article itself. Every article has to exchange with money, mustn't it? Even if there are a thousand types of articles in the society, the owners of those articles do not exchange them by means of the barter system. They exchange them only by means of the money system. The values of all the thousand articles ought to appear only in the money form. "Value' does not exist in any other form.

Value of the pot –
some money.
Value of the shoes –
some money.
Value of the paddy -
some money.
Value of the chair-
some money.

The value of any article is some money. One must see the money to see the value of any article. Therefore, money is the value form of all the articles.

If we know only two things, namely, that 'money means gold

coin' and 'it is also an article', it does not mean that we have fully understood what money is. An article becomes money owing to its chief characteristic, namely, that it has the right to exchange with all articles.

Since the value of an ordinary article appears in the form of money, money is the form of value of all the articles.

Pot = Shoes.

Pot = 1 rupee.

In terms of value calculations, these 2 are same.

When a pot is exchanged with the shoes, the value of the pot is the pair of shoes, isn't it? Similarly, when exchanged with a rupee, the value of the pot is 1 rupee. Value means labour, isn't it? This means, the money that we get when we sell an article belongs to the total labour necessary to make the article. To be brief, money belongs to the total labour. It is the sum total of both old and new labour. Whose is that total labour? It belongs to those people who performed that old labour and also the new labour. This is a fundamental aspect of the whole Economic science.

Among articles, some are made of more labour and others are made of less labour, aren't they? The money obtained in exchange for an article will be equivalent to the value of the article. More money for more value and less money for less value! The quantity of money will be in accordance with the quantity of the value!

A question: The potter bought the shoes with the money which he got by selling the pot. Since he bought the shoes with the value of the pot, will the form of the shoes be the form of value of the pot?

Answer: No. The pot has exchanged with money, not with the shoes. The form of that article with which the pot is exchanged becomes its value form. If the exchange was with money, then the form of money would be the value form of the pot.

Another question: If a 1 Rupee coin exchanged first with corn, then with the pot and subsequently with the shoes, which article's value will that rupee coin represent? Is it the form of value of the corn, the pot or the shoes?

Answer: The coin will be the value of that article with which it

is exchanged at a given point of time. When exchanged with corn, it becomes the value of the corn. If the corn cultivator sold the corn and earned some money and did not spend the money to buy a different article for 10 days, then it remains the value of the corn until that time. If he purchases a pot with that money, then it would become the value of the pot. If the seller of the pot bought shoes with that money, then it becomes the value of the shoes. In this manner, it would be the value of that article with which it is exchanged, until it is exchanged with yet another article.

Another question:

Radhamma is the wife of Potter Ramayya. The 4 saris that she has had wore out. She needs 2 saris immediately. A new sari costs 10 Rupees. Selling a pot would fetch only 1 Rupee. She has to save the amount till she sells 10 to 15 pots and buy a sari after 10 rupees are accumulated. It could be done this way in the money system. But, how would this happen in the barter system? The value of the sari is 10 times greater than that of the pot. If a sari is needed, should one offer 10 pots for a sari? What will the sari weaver do with 10 pots? In that case, how could the potters get articles that have more value?

Answer: We have to imagine for ourselves what might have happened in those days.

In view of this, it is clear that the exchange of articles in the form of money system is more convenient than in the barter system of exchanges. If the price of a small article is 1 Rupee, then the price of an article whose value is double, would be 2 Rupees. The price of an article of half that value would be only half a Rupee. We can divide money into any number of parts. We can add any number of parts. We can accumulate some amount of money and can buy articles of more value. These facilities are impossible in the barter system. The money system had emerged only out of the problems that arose in the barter system.

Although 'money' is also an article, it is not an 'ordinary' article. It is an 'extraordinary' article. So far, we have seen only the Rupee coins. Shall we also look at the paper money?

Questions and Answers

1. What is 'money'?

A. 'Money' means an article that has the right to show the values of the whole world of commodities.

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2. Is there any difference between getting 1 pair of shoes and 1 rupee in lieu of 1 pot?

A. There is no difference concerning 'value'. If one gets shoes in return for the pot, those shoes alone are the value of the pot. Similarly, if one gets some money in return for a pot, the same money will be the value of the pot. In Economics, this is an important point to understand.

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3. Money is an 'extraordinary' article. How?

A. All the ordinary articles have some 'use value' or the other. Money does not have it. Not having use value is its extraordinary nature.

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4. What do you mean by 'value form'?

A. Form that shows the value. Value does not appear in the body of an article, does it? We have to see it outside in the form of another commodity.

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5. What are these?

A. We got a rupee when we sold a pot. The value of the pot appears in the form of money.

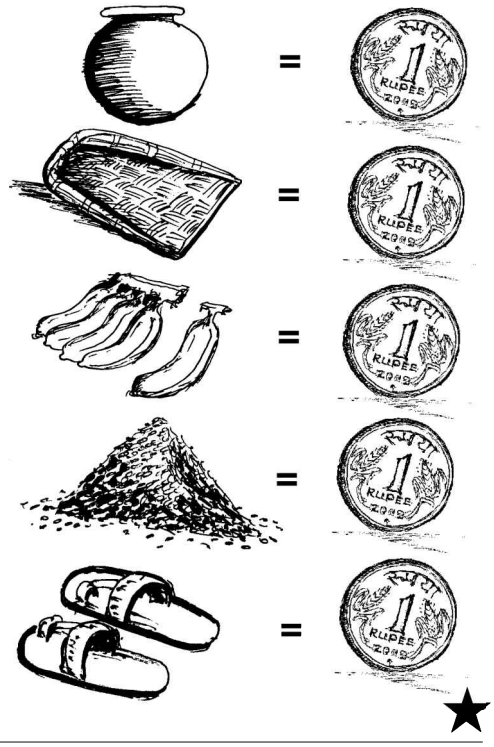
★ The value of a winnowing basket is in the form of money.

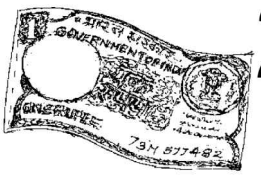
★ The value of Bananas is in the form of money.

★ The value of Grain is in the form of money.

★ The value of Shoes is in the form of money.

★ Money expresses the value of any article. Hence, it is the general/common form of value of all articles.





27. Paper money is a stranger article that is devoid of not only 'use value' but also the 'value'!

The barter system would not come to an end as soon as the 'money coin' system was invented. Exchanges with money would begin to take place less frequently. In the case of a large number of articles, the barter system would continue as before. But, as exchanges took place more easily by means of the money system, gradually the money system would stabilize while the barter system would decline and finally vanish totally.

In the present day world, in each and every country, only money system exists and not the barter system.

Let us take the same example of 'corn – pot – shoes'. We have first seen the gold Rupee coin coming into the hands of the person who sold the corn. We do not know in how many other hands the coin moved prior to that. When we saw, it was in the hands of the corn-grower. He offered that coin to the potter and bought the pot. The coin fell into the hands of the potter. That person offered the coin to the shoe-maker and bought the shoes. We have seen the movements of the coin till it stopped in the hands of the shoe-maker. Where will it go next? It will go to that person from whom the shoe-maker would buy some new article.

After that? To a different person. Thereafter? Then also the same thing happens. The same thing happens all the time. The coin would keep exchanging with articles and would keep moving on. If we keep the coin in a box and buy nothing with it, it won't move. But, if we keep the coin in a box and buy nothing with it, how will we get the articles which we need? People keep buying articles with the

coins and the coins keep moving. The process of money coins circulating with ordinary articles in exchanges is called 'circulation'.

Only one coin does not circulate in the hands of all the people. Hundreds of coins circulate. Some of them many more times and others only a few times. While in circulation, the coins start wearing out.

Let us suppose that the value of a new Rupee coin, when it is first made with a certain weight, is '2 hours of labor'. That coin would wear out a little as it gets circulated in and out of several hands, pockets, bags, and boxes. Because it is worn out, its value should diminish to some extent, shouldn't it? When a worn out coin is offered, it should not earn articles worth as much as when a new coin is given, should it? But, even for a worn out coin we get as many articles as we got earlier. People who sell the articles do accept the worn out coins as they would accept the new coins. When receiving a worn out coin for their articles, no one would say "this coin has worn out a bit. It will not have complete value. I will not offer my article for it". Exchanges would continue with the worn out coins too.

If we follow the path of a new coin, we will be able to trace all the places it travels through. Its journey has no end. Its end comes when it is completely *worn out like a leaf.* The Government would withdraw worn out coins from circulation and mint them again into new coins with full weight.

People continue to exchange with the worn out coins ignoring their diminished values, don't they? The 'paper money' emerged from those experiences. Just as they considered value diminished coins as coins of full value, why shouldn't they regard a valueless piece of paper as money? If every one accepts, people could undertake exchanges using paper money, couldn't they? This was the idea behind the origin of 'the paper money'!

Well, are gold coins of diminished value and a piece of paper totally devoid of value the same? To exchange with a worn out gold coin means, the exchanges take place in accordance with the original value of the coin when it was minted. But, however new the 'piece of paper' may be, that piece will have no

value, will it? On what basis do exchanges take place with the piece of paper? Why do people get articles when they offer a 'piece of paper'?

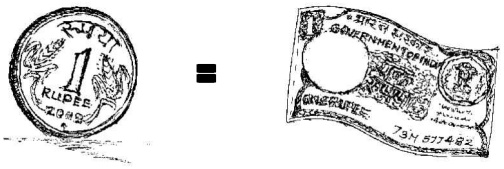
True, a 'note made of paper' has no value of its own. But, if there is a way of conferring some value on it, the same paper note can also circulate as money. There is such a way. This is how it happens: It is the responsibility of the Government of a country to print and release paper money. The Government would say to the people as follows: "All of you have gold coins. Some may have more and others less. You too know that if the gold coins are in circulation, gold will wear out unnecessarily. We will have to recast them again. Isn't it a lot of wastage? We can do something to avoid that. If we put paper notes in circulation, we can keep the gold coins without wear and tear. But, we must store all the gold coins at one place and send paper notes out for circulation. Hand over all the gold Rupees you have to us (to the Government)! We will store them at one place. We will give you back as many paper Rupees as the gold Rupees you give us. Instead of 1 gold Rupee, 1 paper Rupee will be in circulation. This means that a paper Rupee will have the same value as the gold Rupee. With 1 paper Rupee, you may buy that article which you could buy with 1 gold Rupee. And with 2 paper Rupees, you can buy an article which you can buy with 2 gold Rupees. There will be no problem with the paper money. This is the way to avoid wearing out of gold. Therefore give us your gold Rupees and collect paper Rupees! You may hereafter buy all the articles with paper Rupees".

Further they also say: "If you feel like taking back your gold money, you may return the paper money and collect your gold". They also offer the provision of taking gold back. This is to give confidence to the people regarding the 'paper money'.

Everyone is not going to do it readily as soon as the Government says so. Only a few people would give their gold money to the government and collect paper money, though apprehensively! Those who cannot take that risk would retain gold money.

In the early days of the 'paper money', transactions of sale and purchase in a village would take

place through gold money as well as paper money. The shoe-maker would offer the shoes in exchange for gold money or for paper money. In the beginning, both kinds of money would be in circulation.



The value of this gold coin is the value of the note.

Gradually, paper money arrived in the hands of all people. Gold coins reached the banks.

True, gold coins would wear out while in circulation. How about the paper notes, won't they be torn while in circulation? It does not matter. Compared to the wearing out of the gold, tearing of the paper does not matter much in terms of cost.

We have already seen earlier that 'money' has no use value. But, gold money has value, even though it does not have use value. Whereas the paper money lacks not only use value but also 'value'. Paper money is a strange article devoid of any quality!

Questions and Answers

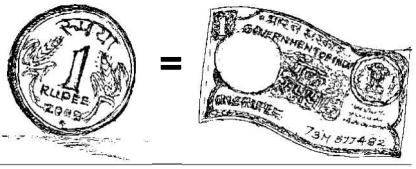
1. Ramayya sold a pot. He got a rupee coin. He gave that coin to a shoe-maker and bought shoes. The rupee coin has gone into the hands of the shoe-maker. The shoe-maker gave that coin and bought jaggery. The rupee has gone into the hands of the jaggery-maker. In this manner, how many more people does this coin go to?

A. It goes on and on till it is worn out. If it is a paper note, till it is torn.

2. The rupee coin exchanges with many commodities, doesn't it? Value of which commodity does it show?

A. It means the rupee coin stands as the value of a commodity with which it exchanges. When exchanged with a pot, that rupee is the value of the pot. It remains to be the value of the pot till another commodity is bought by means of that rupee. It remains in the hands of the potter until the next exchange.

3. Are both these rupees have equal value?



A. They are not of equal value. They don't possess the same value. But both are

equal since paper note has come in the place of the coin for the sake of exchange with commodities.

4. When a person sells an article, should he take a rupee coin or a rupee note?

A. It makes no difference because that person can give either the rupee coin or the rupee note while buying an article. The seller will accept either of the two.

5. The rupee coins which we see these days are not made of either gold or silver. They are made of other metals like nickel. Same is the case with coins of lower denominations. What does this mean?

A. Why did the paper note come in the place of a gold coin? In order to circulate more easily than gold, so that the gold coins do not get worn out. Similarly, the nickel coin is also the equivalent of a gold coin. All coins of lower denomination are also like that. The nickel coins circulate so that gold is not worn out. ★

28. Did paper come as money in the place of gold?

Once 'paper money' arrived, did it mean that gold had yielded the status of money to paper? No. Even then, it is gold that remains as 'money'. Should the paper money be given in exchange for an article, all the calculations will depend only on the value of gold.

The gold coin would call out to the paper note and say: "I will remain in tact in the Government warehouse without being worn out. You go out and perform the job of exchanges!"

The paper note would raise the doubt: " Who will accept me as money? Who will take me? Won't everyone say, "After all you are a piece of paper! What value would a piece of paper can have?"

The gold coin would say, "Paper will have its own value, why bother about your value? Money means myself, not you.

You are my agent. That's all. I am sending you out on a specific duty. You will circulate with my value. Your value has nothing to do here. You will quote my value. Understand?"

"Yes, understood. Alright"

Though the paper note got down to the job with hesitation, the people duly honored it.

The value of a pair of shoes is 2 hours of labor. When the shoemaker sold the shoes, 1 Rupee paper note was earned. Does this mean that it took 2 hours of labor for the making of the piece of paper? No. That value belongs to 1 gold Rupee, not to the paper note.

Although devoid of value, the paper money circulates by claiming the value of the gold Rupee as its own. The value that appears as the value of the paper Rupee is actually the value of the gold Rupee.

If the paper rupee has to have the value of the gold Rupee, the government has to follow a rule. Whatever be the number of gold rupees which it (government) stores, it has to release the same number of paper rupees. (We do not need all these facts now. Let us leave this point by citing an example.)

The Government has to take one gold Rupee coin from a person and has to give only one paper Rupee in return. It has to give paper notes in proportion to the number of coins that it receives from any person. If this happens, the paper Rupee will have the same value as that of the gold Rupee. Instead, let us suppose that the Government gave the person 2 paper Rupees in return for one gold rupee. Those 2 paper Rupees will not have the value of 2 gold Rupees. Those 2 paper Rupees together will have the value of only one gold Rupee. This means, the paper Rupee will circulate with the value of half a gold Rupee. The value of the paper Rupee in circulation outside will depend on the quantity of the gold which the government stored.

Preservation of gold by the Government is not something that happened only in the early days of the paper money. Even today, tons of gold would be idling inside the Reserve Bank. As it does not circulate outside, the gold will not wear out. While the gold remains inside, depending on its value calculations, the paper money will be in circulation outside in a suitable quan-

tity. It is not necessary for us to discuss the matter beyond this point.

Once the paper money establishes itself among the people, the Government has withdrawn its past assurance it provided initially that "people could take the gold money back by returning the paper money if necessary". Yet, people face no problems as the paper money in their hands is performing the function of the gold money. If at all people needed their gold back, they could go to the gold shop and buy gold with the paper money they have.

In every country, blocks of gold are preserved in the banks. Paper money equivalent to the value of that gold will be in circulation.

The name of the money in India is Rupee, isn't it? Likewise, the money of each country has its own name depending on the language of that country. The money in England is called a Pound. The money in the USA is called a Dollar. This is how it goes on.

Selling and buying of articles take place not only within a country, but also between different countries. People of different countries sell and buy articles from each other. That is, they export and import commodities. They make calculations in terms of money for those exports and imports. But, when one country has to pay some money to another country, the first country cannot give its paper money. The currency of one country is not valid for circulation in a different country. That is because money originally is gold, isn't it? While keeping the gold here, sending paper to a different country is not the same as paying money. Therefore, to pay money to the foreign country, only gold must be sent.

It is for this reason gold is 'world money' or 'universal money'. Payments between countries must be made only through gold.

Hoarding of Money:

After the emergence of money, a strange practice called 'accumulating value' begins. Here, recall the barter system of exchange.

If we give a pot and receive a pair of shoes, selling of the pot and buying of the shoes take place in a single act. Selling at one time and buying at another

time do not take place separately. If we give the pot and take the shoes, we must use those shoes. If we give 4 pots and take 4 different kinds of articles, then we have to use all those articles. It is not possible to store some portion of the value of the pots without spending. Whereas in the money system, it is possible to store some value. If we sell a pot and take 1 rupee, it is inevitable to buy some article with that 1 rupee. But if we sell 4 pots and take 4 rupees, it is possible to store a half rupee or quarter rupee from that money. Selling some articles and taking some money implies that we are keeping some amount of value in our hands. If we stored some portion from that money, it means that we have stored some amount of value. This is not possible under barter system. It is possible in money system of exchanges.

Under money system, sales and purchases get separated. They do not take place together. They take place separately. We can store the entire money after the sale. Or we can store some money if not the whole. As this is possible, a new practice of accumulating money emerges in the society. Some persons may accumulate some money while others may not accumulate anything at all.

The situation whereby selling and buying get separated would lead to the problem of disturbing the coordination between the two. This we will see in the lesson on 'Crises'.

"What is money?'—having raised this question at the beginning and initiated the discussion, we have now completed it. Money is the sole form of value of all the commodities!

Questions and Answers

1. In the place of one rupee gold coin, paper note has come into circulation. Now which is money: gold or paper?

A. Even now it is gold and not paper which is money. But since gold coins wear out in circulation, a piece of paper does that function instead of a gold coin. That's all. Even if another system replaces the system of paper notes to carry on the function of circulation, it would again be gold that functions as money. Money calculations depend on the value of gold.

2. Gold money has its own value. Paper money does not have its own value. Yet how is paper money able to function?

A. Paper money circulates based on the value of gold money. When a potter sells a pot and gets 1 paper rupee, that value is not of the piece of paper but of the gold. Even if a piece of paper comes into the hands of the potter, it means that a gold coin has come.

3. What is 'universal money'?

A. Money that is applicable to the whole world. Universal money is an entity that functions as money in all the countries. It is gold. One country buys some commodities from another country and also sells its commodities to another country. Then the 2 countries verify their accounts. If the money to be received and the money to be paid are equal, none of the countries need to pay to the other. But if one country has to pay some money to the other, it is not permissible to give its paper notes. It has to give blocks of gold equal to the value to be paid. Even if gold coins are given, they cannot be used there. People of that country will convert them into blocks. The actual money in all the countries is gold. Hence it is universal money.

4. Does paper money exist in all the countries now? Are gold coins in circulation in some countries?

A. Nowhere do we find gold coins in circulation in any country today. We find only paper money in all the countries. But paper money of a given country circulates in that country alone. The paper money of one country is not permitted for circulation in other countries.

5. Pot = 1 rupee coin. But let us suppose that 4 paper rupees are in circulation in lieu of 1 rupee coin. How many paper rupees should we get if one pot is sold? Why?

A. As there are 4 paper rupees in lieu of 1 gold rupee, the value of 1 coin will be 4 paper rupees. Therefore, one has to get 4 paper rupees in lieu of a pot.

6. What will happen finally to those tons of gold that are present in the banks of all the countries?

A. If the money system of exchanges continues in society, the heaps of gold have to remain like that. The real basis for either paper money or other form of money is gold. It has no 'ending'. If the system of exchanges disappears, we can take out that gold and build walls with it!

29. Why should we do Labour?

Humans are not the only living beings in nature. From a living being as small as an 'ant' to a living being as big as an 'elephant', there are many varieties of insects, birds, and animals in nature. Some live on land, some live in water, and some live both on land and in water. Irrespective of where it lives, every living being needs food.

However, no other beings other than humans perform labour for the sake of food. Other beings do not know how to perform labour. They live by eating grass, leaves, weeds and the like that are readily available in nature. Some animals live by eating other, smaller animals.

Even though birds build nests in trees, or monkeys and apes dig out edible roots, those actions do not constitute 'labour'. Every living being has some 'natural instincts'. Those instincts will never change. The nests that the birds build or the behaviour of other animals always remain the same.

But, it is different with humans. Their body structure is different. Abilities like thinking and speaking are unique to humans. Yet, in the beginning, humans did not know how to perform any labour. They too used to eat whatever they could find in nature and roamed around naked, just like the animals. Gradually, starting with things like making bowls from clay, and sharpening rocks to use as tools, they learned all the things we know today, such as growing crops, weaving clothes, and building houses. They will continue to learn to do new things. Animals always remain the same. The ability to perform labour is a distinct characteristic of humans.

To do any work, or to make any product, we have to start from things that are naturally available in nature. First, we need to make raw materials and tools. Then, we have to make other products using these. Animals like bulls, horses and camels are also useful in doing these things. <u>But all these animals are tools. It is humans that do the work, not the animals.</u>

Products once made do not

remain unused. They are constantly consumed. Food substances are consumed every day. Clothes are consumed over a few months. Houses remain standing for years. Humans keep using up some products, and keep making new products of the same kind during the same time. While the previous year's crops are being used up, work of growing new crops continues simultaneously. Same is the case with clothes, shoes, medicines and every other product. While the previously produced buses and trains become old and worn out, production of new buses and trains continue. Same is the case with all other things. Things that are spent daily keep getting produced again. On the whole, people need to keep doing different kinds of labour everyday.

Let us suppose that people stop doing all kinds of labour from a certain day. What will happen then? – Imagine. Sudden stoppage of work implies stoppage of cultivation and other kinds of work. No more cooking. No more washing of clothes. No more cleaning of the houses, no more fetching of water. They have to stop doing every kind of labour. If there are food items like fruits and bread already available at home, people would eat them. They drink water that is already there in the house. But all of them will be over in a couple of days. Later on there will be no food for the children. There will be no water to drink. Diseases will start spreading immediately. But, since the labour of medical practice stops, there will be no treatment. In two days, children will start dying first.

[Of course, adults do not stop doing labour and sit idle till their children fall prey to disease or death. It will never happen. But we discuss all this in order to see what would happen in a society if all labour stops. We will know how essential daily labour is.]

Later, people who are already sick start dying. As there would not be water to drink many people would die within three days. The bodies will remain wherever people died, as labour types like burials and cremations do not take place. The domesticated animals also start dying, as nobody gives them food or water. Animals, children and adults will be found dead everywhere, inside houses,

outside in the yards, and on the roads.

Unable to cope with the catastrophe, people who are determined to live at any cost run away into the forests. They will not be able to go to the forests on vehicles, since nobody drives any vehicles. Dragging their feet, they will reach the forests and eat if they find anything edible on the trees there. They will drink if they find water in the pools in the forests. They will roam like that in the forests for some time, starving from lack of food. All their clothes will be torn after some time, and they will end up without clothes. Once they lose their clothes, they are like animals. **Human animals.** Animals live comfortably in the forests. But the human animals can not survive in the forests for too long.

This means, if everyone stops doing labour, people in the villages and towns die within a week and the people that runaway to the forests and do not perform labour there die within a month. The entire human society will come to an end if labour ceases!

Do you understand how necessary labour is for day-to-day life? Giving up all forms of labour will never be possible. Only thing that might be possible is to make changes to difficult labour and convert it into labour that is easier to perform. Labour is labour, even if it is easier to perform. It will never be possible for people to live without doing labour.

Questions and Answers

1. Can't human beings stop all their work and sit back to chit-chat happily?

A. Yes, they can sit back without doing any work. But what do they chit-chat about? About news papers? They won't exist. About education? It won't exist. About films? They won't exist. About politics? It won't exist. When there is no work, all talk would come to an end. Do you know how originally speech came into existence? Since human beings of the primitive times started carrying out small tasks, speech emerged gradually to fulfill that need for communication. If such tasks cease to exist, there will be no need to talk. Speech itself will disappear.

2. Today we know many kinds of work. How many kinds of work will emerge in future?

A. All kinds of work which we know today were unknown in the past, weren't they? Similarly if we come to know new facts about nature, new kinds of work that enable us to produce new articles may emerge.

3. Is it not enough if we have food, clothing, shelter, medicines and means of transport? Why do we need many things?

A. Essential needs are few. We do not need dozens of kinds of articles.

4. Birds build nests. Animals also search for some habitation. Aren't they forms of labour?

A. No. The term 'labour' and its meaning applies only to humans and do not apply to birds and animals.

5. What will happen if all kinds of labour are stopped?

A.

★

30. Differences in Labour

Within types of labour, we have distinctions such as 'physical' or 'manual labour', and 'mental' or 'intellectual labour'. Within these two types of labour, there are distinctions between 'skilled' and 'unskilled' labour.

In 'Manual labour,' there is little or no need for thinking. In 'Intellectual labour,' there is a greater need for the same.

Labours like cutting grass, tilling the land, laying the roads, cleaning the dishes and washing the clothes are forms of manual labour. They are forms of unskilled labour within manual labour. It does not take more than a few days to learn these types of labour. Moreover, not many products are used up in learning these labour types.

Tailoring, carpentry, cooking, weaving, and driving buses or trains are also types of manual labour. In addition to being types of manual labour, these are also skilled labour types. A few days or weeks are not sufficient to learn these labour types. Much more time will be necessary to learn these. Many products are used in learning these types of labour.

Labour types like teaching, treating the patients (medical practice), scientific research – are all intellectual or mental labour. Within these intellectual labour types, there are again skilled and unskilled labour types. Within 'teaching', there are differences: teaching lower classes and teaching higher classes. Similar differences exist in practicing medicine and conducting scientific research.

Learning any intellectual labour takes a long time and use of many products. Within these intellectual labour types, learning skilled labour requires even more time and more resources. Like this, labour types can be classified into many types.

'Labour', no matter what kind, is still labour. In doing labour, the entire body toils. After doing labour for some hours, people get tired. They get exhausted more quickly while doing manual labour rather than intellectual labour. When they are exhausted, they need to stop doing labour and take rest for some time. Then, the body will get back the energy for doing labour again.

As there are differences in labour types, the values of labour will also be different, with some being high, and others being low. The value of labour of teaching 1 hour will be more than the value of 1 hour labour of cutting the grass. Both types of labour took one hour each. Yet their values are different. It is because the time and the expense of things necessary for learning these types of labour are different. According to the 'law of value', it is appropriate that the labour of teaching possesses higher value and the labour of cutting grass possesses lower value. But, the 'law of value' does not tell us how much difference should actually be there between their values. The difference will depend on the conditions of the society in which these types of labour are performed.

If we take into consideration 1 hour manual labour and 1 hour intellectual labour, it will be

surprising that their values are different despite both of them being of 1-hour duration. This is how we should understand the difference: if we take 3 things — jaggery, cotton, and iron — each weighing one kilogram, how will their volumes be? One kg. of cotton will be a lot, enough to fill a big basket. One kg. of jaggery will fit in one corner of the basket, and one kg. of iron will not even cover the bottom of the basket. The weights of the three products are the same, but their volumes will be totally different. In iron, the particles are packed tightly, with very little space between them. In jaggery, the particles are a little further apart from each other. In the case of cotton, it is needless to say anything. They are very far apart from each other. This is how we should try to understand the differences in values of labour.

If we take 10 different labour types, each of one hour duration, their values will be varied: some more, some less. In those 10 labour types, the values of two or three labour types might be the same. The labour of carpentry and the labour of tailoring may have the same value. But the values of all of all the labour types will not be the same.

Questions and Answers

1. Labour of tilling is done on the land which existed naturally. Will that land have value?

A. It will. But, that value is due to the labour of tilling. That value belongs to that labour and not to the land. If some crop grows on that land, the value of the labour of tilling goes into the value of that crop.

2. A person always does the work of cutting grass. Another person always does the work of teaching. Which is physical labour? Which is intellectual labour?

A. Cutting grass is physical labour. Teaching is intellectual labour.

3. Can a grass-cutter teach? Can a teacher cut the grass?

A. If they learn, they can do anything and everything. A person who performs intellectual labour can learn physical labour in a very short time. It takes longer for a person who does physical labour to learn intellectual labour. If various kinds of labour are taught from a very young age, it would be very easy to learn another kind of work for a person who does a particular type of work.

4. What is 'law of value'?

A. It is the law which explains the rules connected with value. One rule is that exchange takes place between equal values. Another rule is that the value of intellectual labour is higher than that of physical labour. All the rules related to value are part of 'law of value'.

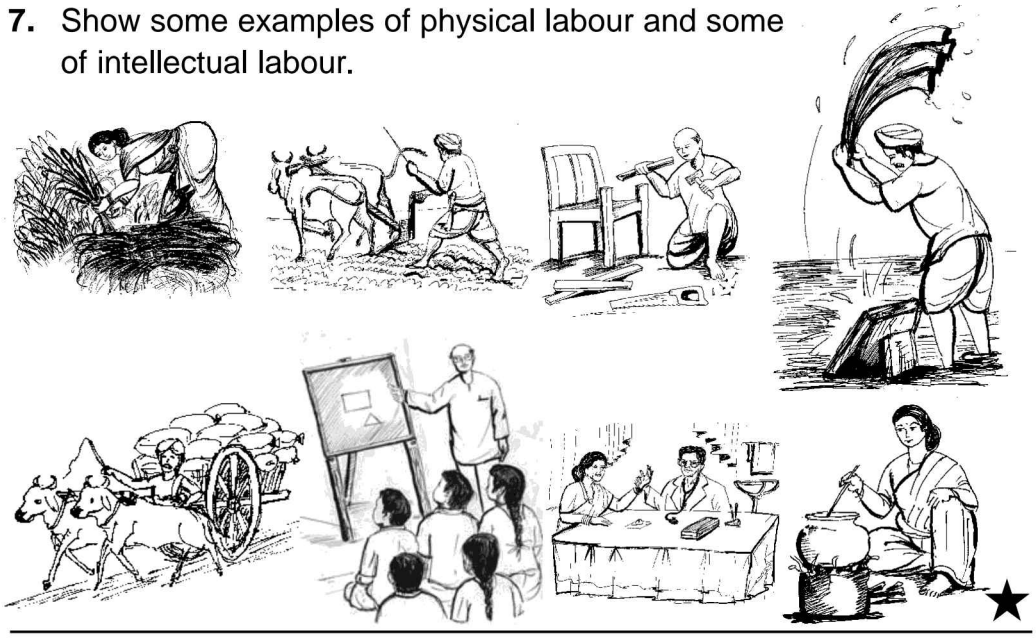
5. How much higher the intellectual labour is than the physical labour? 2 times, 4 times or 10 times?

A. Law of Value simply explains that the value of intellectual labour is higher than physical labour. It does not tell us how much higher it should be. If the gap between the two is very wide, a lot of injustice is done to physical labour. The extent of the gap depends on the nature of labour relations in a given society. We have not yet seen these labour relations.

6. Is the gap between the value of physical labour and the value of intellectual labour necessary? Is it right? Can't there be the same value for all kinds of labour?

A. If all kinds of labour have equal value, no one will not/cannot do such labour which involves more expenditure and longer duration. All people will select only such labour types which are easier and interesting to them. Then certain kinds of labour will disappear from the society. Certain needs will not be fulfilled. To understand this point we have to know many details. It is not possible here to elaborate.

7. Show some examples of physical labour and some of intellectual labour.



31. 'Value' is labour, but 'labour' is not value

When an article is put out for sale, what is counted as the 'value' of that article? - It is the total labour necessary for making the article. That means it is the labour that becomes 'value'.

Then, does 'labour' necessarily have value? – No. If the article is not put up for sale, the labour will not have value. We have cooked rice and curries at home. They are prepared from the labour of cooking. Since labour has been spent in cooking the food stuffs, does that labour have value? If it has value, we have to eat those food stuffs only after paying for them. But, it does not happen that way. Even though labour is spent on cooking, that labour does not have value.

If the same labour of cooking is done in a hotel, that labour will become value – since the food in a hotel is put up for sale.

It is labour alone that becomes value. But, when we speak of 'labour', it does not always mean value. If we understand this point, it will make the difference between natural and unnatural phenomena clearer.

Conversion of labour into value is not a chemical action that takes place naturally.

If we cook rice, it converts into cooked rice. If we mix water in flour, it converts into a lump. If you put a drop of butter-milk in warm milk, it thickens into curds. All these are the properties of the substances, whereas conversion of labour into value is not similar to such natural phenomena.

Since labour means 'work', it will be easily known that it is not a substance. Value is also not a substance. It is a calculation. Calculation of time. We will see the calculation by which labour converts into value in another lesson.

It is correct to understand that 'value means labour'; but it is incorrect to understand that 'labour means value'. If we understand that labour is value,

every article should have value. Since every article is made of labour, it amounts to understanding that labour would necessarily have value or ought to have value.

The pot is made of Ramayya's labour. According to the argument that 'labour means value', Ramayya's labour must convert into value. That is, if Ramayya exchanges that pot and gets another article, that article will be the value of the pot. He has to use the value of the pot but not the pot. What if he needed a pot? He ought not to make the pot. He should make some other article, give it to others and get the pot. — We arrive at all sorts of meaningless inferences like these if we go by the argument that labour is value.

The argument that 'labour means value' is similar to the argument that 'tools also do labour'! Those who are carried away by this argument do not understand the unnaturalness in such matters as exchanges, sales and value calculations.

Labour converts into value only when it is exchanged. (By conversion, we mean we can calculate it.) But, it is not obligatory that labour ought to turn into value. Labour is not value by nature.

Questions and Answers

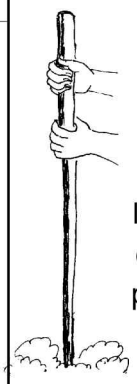
1. An article is made of labour. Is that labour value?

A. Coming to square one? Has an exchange of that article taken place? Only if an exchange takes place, that labour will have value calculation.

2. A shirt is made. Its exchange has not taken place. Yet, can't we calculate the total amount of labour that was done for it?

A. Why do we want the calculation of total labour? What do we need to make a shirt? (1) A certain quantity of cloth, thread and some buttons. (2) Specific tools. (3) Some hours of tailoring labour. We need details of this kind. Why do we need calculation of total labour? Calculation of total labour is necessary only if it is meant for exchange.

3. Is digging labour value?



A. We don't know whether this labour is done for personal use or for an exchange.

4. I cook my food myself. I wash my clothes myself. Can these activities be called labour?

A. They can be called labour. But the work of eating the cooked food, or wearing the washed clothes cannot be called labour.

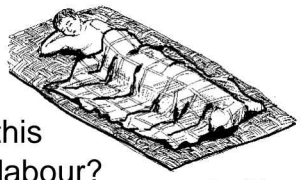
5. Is this labour?

A. No.

6. Friends went up the hill for trekking, wandered there for quite some time, engaged in chit-chat, got tired and returned home. Is the whole thing labour?

A. No. They might be tired. But it does not amount to performing labour.

7. Is this labour?



A. No.

8. How to decide which is labour and which is not?

A. The work of making articles and the work of satisfying needs will constitute labour. Work done for one's own bodily health (such as eating, bathing) is not labour. Natural body processes (like urination, excretion) are not labour. ★

32. How does labour turn into 'value'?

Let us consider a new shirt. With what labour was it made? – We have to see only that labour which was done on the raw materials of the shirt. What is the raw material for the shirt? – Cloth. What is the labour that was done on the cloth? Tailoring (stitching). It means the shirt is made from the labour of tailoring. Several types of past labour are also present in the cloth. They are not relevant here.

If we watch tailoring while it is being done, it would be clear what sort of work is going on. That labour has a 'form'. We can see it because it has a form.

If we look at a shirt that is ready, we can clearly see that the labour of tailoring was done in order to make the shirt.

What labour is a chair made from? – Carpentry. If we look at

the chair, that labour appears to us.

What labour is a book made from? – Printing. If we look at a book, that labour will appear.

Any labour undertaken in the making of an article will be clearly visible in the article.

Whether it is 'stitching', 'carpentry', 'writing' or 'weaving', every labour has a name. If someone drives a cart, it is the labour of driving. If some one teaches, it is the labour of teaching. Each labour is a 'concrete' labour. Each labour has a name. Each labour has some specific characteristics. Every article is made by some concrete types of labour.

But, if a particular concrete labour turns into 'value', then its form, its name, its specificity and characteristics will disappear. It becomes an 'abstract labour'. This is how it happens:

Let us consider three types of specific labour: Agriculture, Weaving, and Tailoring. Let us also calculate the durations of time during which those types of labour were carried out... Agriculture – 5 hours, weaving – 4 hours, and tailoring – 3 hours. Let us say a product was made with these three types of specific labour. [For simplicity sake, we are not considering the means of production necessary to carry on these labour forms. We are considering only the new labour that takes place with the means of production.]

What is the total time during which these labour types were carried out? 5 hours of agriculture + 4 hours of weaving + 3 hours of tailoring. It is 12 hours in total. The total labour performed for making an article is its value, isn't it? Does it mean that the value of the article in this example is 12 hours? – No. That is not how any specific labour converts into 'value'. The specific hours of duration during which those different labour types were performed do not combine in terms of those number of hours to form the value of an article. Money measures the duration of those labour types by means of their value. With these measurements, the calculated durations of the specific labour types may become slightly more or slightly less than the actual hours during which those specific tasks were done. Only these modified measurements that are expressed in terms of the value of money are added up.

The function of money starts from here. Money is – gold. The labour of making gold is also a specific labour. It is a concrete labour. That labour has some value and is expressed as '1 hour of gold-producing labour has this much value'. That value of gold-producing labour will be used to measure the values of all other labour types.

If we take 1 hour of physical labour and 1 hour of intellectual labour, both of them are of 1 hour labour. Yet, we have seen that their values are different. The labour of money measures the values of these different types of labour by means of the money value of its value. We have to understand this by comparing it to the weights used in a weighing balance.

The weight used in the weighing balance has its 'own weight'. Let us say the weight of that weight is one kilogram. Near that balance, we have three different substances — namely, cotton, jaggery and flour which are waiting to be weighed. The cotton is in a big sack. But when it is placed in the balance, it does not even weigh one kilogram. The flour is in a small bag. When it is placed in the balance, it weighed 1.5 kilograms. The jaggery is much smaller than the flour bag – a small cube wrapped in paper, but it weighed 2 kilograms.

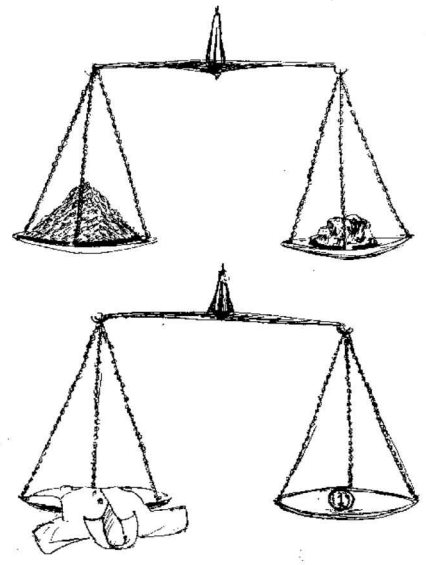
There is no connection between the weights and sizes of any of those materials. A big sack of cotton weighs less. A small cube of jaggery weighs more.

If we take the same material, more quantity will mean more weight, and less quantity will mean less weight. For the same material, there will be a direct relation between its volume and weight. But, if you take different materials, their weights will not be the same if their sizes (volumes) are equal. Their sizes will not be equal if their weights are equal.

It is exactly the same with values of different kinds of labour. There will be no relation between the durations of different kinds of labour, and their values.

If you consider a particular kind of labour, longer duration of the labour will have more value and shorter duration will have lesser value. This is with regard to a particular kind of labour. But, if you take different kinds of

labour, it does not always happen that longer duration means more value, and shorter duration means shorter value. If all labours are measured in terms of the same amount of time, (an hour of each labour), their values will be different. Or, if we consider different kinds of labour with the same value, the durations for which they were performed will be different. For intellectual labour and physical labour to have the same value of one rupee, how should their durations be? Let us say the value of half-an-hour of intellectual labour is 1 rupee. In that case, the value of 3 hours of manual labour might be 1 rupee. In summary, the values of all labour types will not be the same.



It is not possible to measure the value with a weighing balance. Yet, by means of a weighing balance, we are imagining that 1 rupee is measuring the value of cloth. That's all.

A weight, which has to weigh different kinds of materials, will have some weight of its own, won't it? Similarly, a gold coin will have a value of its own in order to measure the values of different kinds of labour. That coin is a rupee coin made of a 'certain quantity' of gold. That coin possesses some value. How is the value of that coin formed? It is formed due to the total labour time necessary to make that coin. Let us suppose that the total labour is 2 hours. Those 2 hours of labour make the gold rupee (money). The value of those 2 hours of labour is 1 rupee (1 coin).

Since the value of 2 hours of labour in the making of gold is 1 rupee, will the values of all types of labour be the same? If we take 2 hours of tailoring labour, will its value be 1 rupee? Will it be the same in the case of medical labour? No, it won't be like that. As there are distinctions between physical labour and intellectual labour, their values will invariably be different to

some extent. The rupee coin measures the values of various labour forms. Just as the weight in a weighing balance measures the weight of other substances, a rupee coin too measures the values of other labour forms by means of its own value. If we measure the value of 1 hour of tailoring labour by means of a rupee coin, it could be 1 rupee or it could be more than a rupee or less than a rupee. Similarly, if we measure 1 hour of medical labour, it would invariably be more than the value of tailoring. In this manner, a rupee coin functions like a vessel which measures the values of other labour forms and articles by means of its value. Just as the weight in a weighing balance functions like a means of measurement.

Questions and Answers

1. Tailoring labour is spent on the cloth. Will that labour be absorbed into the cloth?

A. To make bread with flour, we pour water in the flour and that water will be absorbed into the flour. But it is not the same case with labour. Labour is not a substance. If tailoring labour is spent on the cloth, that work itself is labour.

2. The value of a given intellectual labour of 4 hours is 8 rupees. The value of a given physical labour of 2 hours is 2 rupees. What is the value of 1 hour of that intellectual labour? What is the value of 1 hour of that physical labour?

A. The value of 1 hour of intellectual labour is 2 rupees. The value of 1 hour of physical labour is 1 rupee.

3. Whatever be the kind of labour they may do, all human beings need the same kind of food, clothing, housing and medical facilities. The only difference will be with regard to the expenditure and duration of learning various kinds of labour. If this is the case, why should the value of intellectual labour be so many times — 2, 3 or 10 times — higher than the value of physical labour?

A. The gap should not be so many times higher. It is not even necessary to be twice higher. Such a gap should be as reasonable as possible. In all the societies that existed till now, that gap has been very wide. The reasons for that are different. (We will examine those reasons in other lessons.)

4. How does money measure values of articles?

A. Money means a coin with a certain amount of gold. That gold would have some value. This value consists of old labour as well as new labour. Here we have to consider the total labour. Let us suppose that out of the total labour of making gold, 1 rupee coin would be made with 2 hours of labour. The value of 2 hours of labour is 1 rupee (so much gold). The values of all labour forms would not be the same, would it be? Let's say that the value of tailoring labour is half the value of gold labour. Then, the value of 4 hours of tailoring labour would be 1 rupee. This calculation of the difference between the value

of money labour and ordinary labour is based on the comparison of the two.

5. There are different substances in front of the weighing balance. The weights in the balance measure the weight of each substance accurately. There would be no mistake in the measurement. Similarly, gold rupee measures the values of other articles, doesn't it? Can we say such measurements too would be accurate without any mistake?

A. We can't say absolutely. The function of the weights in a weighing balance is to measure the physical property of articles, that is, their weight. If we weigh the chair, we will find an accurate calculation in terms of 'so many kilos and grams'. This is not an 'average calculation'. But, measuring value means measuring labour which is not a substance. Labours take place under various conditions. We have to consider every labour based on average calculations. Whatever be the article that is produced — either the shirt, the chair or any other thing — we have to consider averages of labour spent on the raw materials, the tools and the newly performed labour types. Even the sum total of those averages would not be accurate. If a person stitches a shirt in 5 hours, we can know the accurate time that he has spent. We can accurately calculate the amount of cloth, thread etc that were spent in stitching that shirt. But if we want to measure the values by adding the averages of all the relevant labour forms, we can't say that the measurements of those labour forms would be accurate. We face this problem since labour is not a substance. Let us assume a number of inconsistencies in measuring the values of labour forms. Such inconsistencies are found not in the case of one particular labour but in the case of measurements of all labour forms. Hence, such inconsistencies are tantamount to be non-existent. Even though, measuring values of labour by means of money is not as accurate as measuring the weight of articles with the weights in a weighing balance, it is the way in which we measure values. There is no other way. This is why, we call value and its measurements as 'unnatural'.

6. Let's say, we bought a shirt for 5 rupees. Does it mean that the shirt has so much value or not? Is that measure of value correct or not?

A. It is correct. However, there may be a minor difference in the case of one shirt. But if we combine more number of pieces (shirts), the difference would be minimal. The value of 100 shirts is 5 x 100 = 500 rupees. Among 100 shirts, even if more labour might have been spent on one shirt and less labour on another, there would be no difference between the labour of all the shirts and the measurements of value of the total labour, provided a large number of shirts, instead of just one shirt, are considered. Even if there is a slight difference, let that be. It is the only way to measure the value.

7. Why do we need these value calculations at all? Can't we make and use articles without bothering about value calculations?

A. The question is not that we can't do. In fact we ought to do so. But in order to make it possible, many changes have to take place in the existing conditions. It will be possible only when such changes take place. Otherwise, it is not possible to live without value calculations. ★

33. Money is 'Abstract' Labour

We have taken an article made of three different kinds of labour. We have mentioned them as follows: Agriculture labour — 5 hours. Weaving — 4 hours. Tailoring—3 hours. If these durations add in this way, the total labour will be 12 hours, isn't it? But, labours do not add like this. First, the rupee coin has to measure the values of the labours. The concrete labours turn into those units of value (value hours) which are based on the value of the labour that makes gold.

Let us suppose that those three labours turn into values as follows: 5 hours of agricultural labour turned into 3 hours of gold labour. 4 hours of weaving labour turned into 2 hours of gold labour. The 3 hours of tailoring labour remained 3 hours without any increase or decrease since its value is equal to the value of gold labour. After those 3 concrete labours converted into value hours, the total of the converted labour will be 3 + 2 + 3 = 8. If those concrete labours add up according to their duration it would be 12 hours. But, it became 8 hours since it converted into value hours. This is the duration that turned into 'value'. The value of 2 hours labour which thus converted is 1 rupee. (That is gold of certain weight present in the rupee coin). Accordingly, value of 8 hours labour is 4 rupees. Which means, the value of the article which we took as an example will be 4 rupees! In the beginning we did not consider means of production necessary to make that article. Now we have to add the value of those means. Let us suppose it is 2 rupees. If we add that too, the value of the article will be 4 + 2 = 6 rupees.

The firs 3 labours that made the article (namely, agriculture, weaving and tailoring) have forms, names and particularities. But, they converted into 'value' calculations because the article left for sale. All the labours which made the means of production have already converted into value earlier. After their conversion into value, the value of the article is 6 rupees. 'Value' is labour. But, now, that labour is neither agricultural labour, nor weaving labour or tailoring labour. It lost all its actual concrete forms. Now it is abstract labour. That is labour without form. It will simply have size or

volume such as 1 hour, 2 hours, or 5 hours. Thus it will simply have quantity. We cannot say what kind of labour it is. It will not have any name or location.

We have seen that gold rupee, by means of its value, measures every concrete labour that was performed to make articles. The fact that a gold coin has been made implies that its value too turned into an 'abstract labour'. The same unit of value (that is the value of that coin) measured the values of other labours.

The price of a new shirt is 10 rupees. What does this money tell? It tells that the value of raw material, the value of tools and the value of tailoring labour combined together and formed into so much amount of money.

Question: What are the elements needed to make a shirt? This question has 2 types of answers.

(1) **To answer from a use-value perspective**: we need certain specified raw materials and certain specified tools. We need certain number of hours of tailoring labour. With these elements, a shirt is made.

(2) **To answer from a 'value' perspective**: We need 10 rupees. A shirt is made with so much value (so much money).

What do we see when we look at a money coin or note?

It is 'value'. Value means labour. 'Money' means labour. What kind of labour? Labour that produces gold. '1 rupee'—whose value is this? It is the value of a lump of gold which is present in that rupee coin. If we look at the rupee coin, labour that made gold is seen and not other kinds of labour. If we give a pot and take 1 rupee, then that rupee would be the value of the pot. But we cannot see the labour of pottery in that rupee. Let the rupee coin stand as the value of any article, the value of the labour of gold — alone appe-ars in that value. The labour that made a given article does not appear in a rupee which stands as the value of that article.

But, the entire value is labor. If it is one rupee, it is a little labour. If it is thousand rupees, thousand times more labour. Money is labour!

Whatever be the quantity of money, labour will also be of the same quantity.

What is that feature due to which money is performing the function of exchanging with other articles? It does so with an inherent feature called 'value'. As money is also made of labour, it is able to play the role of a means of exchange.

If we know only one fact,

namely, that 'money is a means of exchange', it does not mean that we have understood money. We ought to know that money is also made of labour and hence able to measure the labours of other articles and that money is not a symbol formed without any basis.

Money has quality and quantity. **Quality**: is value. It can exchange with any article due to that value. **Quantity**: The value present in a rupee will have some size. With that rupee, we are able to buy an article with the same amount of value only. We are able to buy an article having the value of 10 rupees with 10 rupees only and an article having the value of 1000 with 1000 rupees only.

The quality which money possesses can buy any article. Whereas its quantity cannot buy beyond its limit. This is the contradiction present in the money between its quality and quantity. This contradiction makes the persons who hoard money dissatisfied. Even if they earn a crore of rupees, there would be things which they cannot buy with that amount. Therefore that money would not satisfy them. Even if they earn a thousand crores, it will not satisfy them. The mass of money would never satisfy them. There is no characteristic in money that gives satisfaction.

When a person is hungry, there would be a natural limit to eat food. He has to eat bellyful. His hunger should decrease. His thirst should decrease. This is the result of the use values.

There is no scope for satisfaction from an exchange value perspective, with money which is an exchange value. This is the contradiction present in the exchange value (money). This is an unnatural feature.

Questions and Answers

1. Money means labour. Explain this statement.

A. Any and every article is made by labour. In ordinary articles, there is some use value. But in money there is no use value. Only value is present in it. Value means labour, isn't it? Hence money means labour.

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2. Any and every article is made by labour, isn't it? Then why do we say 'money means labour' as if money alone is made of labour?

A. Whether it is an ordinary article or money, all the articles are made of labour. If we look at any ordinary article — whether it is a chair or a shirt — we would know what it is without any one telling us about it. But, it is not the same case with money. When we see money, we know about it to the extent that it is a means of buying articles but do not know due to which feature it is performing that function. Money means simply value. Value means labour without form

(Abstract Labour). Many concrete labours are included in that abstract labour. Though all the concrete labours are in a changed calculation, the whole thing is labour. Hence, we must know that 'money means labour'.

3. Money has a peculiar feature. What is it?

A. Money means exchange value. It can convert itself into a 'use value' at once. This means, we can buy any article by giving money.

4. There is a contradiction between the quality and quantity of money. Explain.

A. Money can exchange with any commodity in the world of commodities. This is the quality of money. But when we speak of 'money', it will have some quantity (size). That has some quantity. That quantity cannot buy any or every commodity. 1 rupee can buy a commodity whose value is only 1 rupee and cannot buy a commodity whose value exceeds 1 rupee even by one paisa/penny. If we consider 10 rupees, that money cannot buy a commodity whose value is more than 10. Same is the case with 1,000 rupees or lakh rupees. There is a limit to the quantity of money. It means the quality of money has no 'limit'. Its quantity is limited. This is the contradiction between the quality and the quantity of money.

5. 'Value' is also labour, isn't it? Why does value not appear in the body of an article?

A. ' Value' is also labour but it is labour which lost all its forms. When forms are lost, quantity (size) alone will remain. How can an abstract thing appear?

6. Won't there be contradiction in ordinary articles which are not money?

A. Any ordinary article will have use value only. Shirt for wearing. It does not have any other use value. The size of the shirt would be in accordance with its use value. Same is the case with the chair. Also the book. Substances like rice give the same kind of use value irrespective of whether it is less or more in quantity. Rice in large quantity would give only one use value in large quantity. In the case of ordinary articles, there won't be any contradiction between their quality and quantity. Same is not the case with money. Its quality can assume the forms of all the use values. Whereas its quantity cannot secure every and any use value. We do not find such a contradiction in ordinary articles. The contradiction present in the exchange value is not present in the use value.

7. Just as tailoring labour appears in a shirt, the labour of coin making also appears in a rupee coin, doesn't it? How can it be an abstract labour?

A. We see a shirt as a use value and use it as a use value. We don't see a rupee as a use value; but as a 'value'. We use the coin as value only. Value is the labour which is a combination of several forms. Hence, it (value) is the labour that lost the natural forms of labours.

★

34. 'Human Relations' mean 'Labour Relations'

So far we have seen products, their values, exchanges, money etc. Hereafter, we have to see what 'human relations' are.

'Human relations' mean 'labour relations'. If it is blood-relations, ants, mosquitoes and all other beings will also have them. No being which is not human does any labour. It is humans who perform labour. It is human beings who live by doing labour and exchanging their labour. Therefore, human relations mean 'labour relations'.

If we look at the entire period since human beings started doing labour, those labour relations have been undergoing changes in various ways. It is necessary to know whether those changes are good or bad and how they have taken place.

We are human beings! We have to know how human beings of the past generations lived and how we are presently living. It is the responsibility of human beings to know about their ways of life and relations that exist among them. It is that knowledge which humans should learn.

We see many things daily. We are used to things as they appear irrespective of whether they are good or bad. We do not raise questions on any issue. All things appear the same. Everything that happens in nature or society appears to be natural.

We watch the sun rising every day on one side. That is in the east. Do we raise questions such as, "Why does the sun rise in the east? Why does it happen daily?"

No, we don't. If we get that doubt, we will search for an answer. We will definitely get an answer if we search for it. But we think, "That is the way it is. It is but natural" and leave everything as it is without raising any

questions. The fact that we are not raising questions wherever necessary implies that we are not applying our thought.

Daily we see beggars roaming in front of houses and also on the roadside begging for alms.

Do we get questions such as, "Why do these people live under these conditions of misery? We are not like them, are we? What is the difference between us and them?" No. Even those beggars do not get doubts such as, "Many people are not beggars. Why are we like this?" They simply think, "This is the way we are. We are very poor". We too think about them in the same manner, "They are that way. They are poor, aren't they? That's all". At that point we think that we have understood the matter. But, we don't entertain questions like, "Who are poor? Why some people are poor?" That's the way it is! It is natural! Whatever appears in whatever manner, it is natural! If we feel pity for the poor, we give some alms occasionally. Even if we do not feel pity for them, we give alms with the belief that "God will bless us if we give alms". At every opportunity that we ought to raise a question, everything appears natural to us and our life passes without any questioning.

But there are many things which human beings ought to know. Human beings ought to learn to think properly about their lives. They ought to learn how to explore facts.

Children! Do you know who the 'masters' are? Who the 'servants'? Do you know who the poor are and who the rich? Do you know how such differences evolve? Now, we ought to know these things.

Some human beings are the 'Masters'! Human beings who serve these masters are the 'Servants'. Masters are the rich! Servants are the poor!

The rich people will have big houses, gardens, good food, good clothing, cars, education, arts and everything. The poor do not have any of them. They have thatched huts or houses with a single, cluttered room. They don't have good food, good

articles and good education. They don't have any amenities that enable them to live a little comfortably.

Why human beings are so unequal? All are human beings, aren't they? Why are they not living at the same level? If these things are not known, it means that human beings do not know anything about themselves. We have to examine this aspect (briefly) going back to the days of slavery.

Children! Do you know who the 'slaves' are? Have you ever heard of this word? Have you read any book on slaves? All the poor people who lived hundreds and thousands of years ago were slaves.

Human beings had passed through the stage wherein they wandered naked like animals in the jungle and learnt doing various kinds of labour gradually. There were no inequalities of any kind for a long time among human beings. But gradually distinctions like 'slaves and slave masters' had emerged among human beings. To understand why such distinctions began, we have to study histories of many countries. Let us not do all that here. It is true that distinctions emerged among human beings who did not have any such distinctions before. Therefore, it is enough if we know what those distinctions are!

Human beings ought to do several kinds of labour for their survival, right? Those who stopped doing all those kinds of labour were slave masters. Those who were expected to do all kinds of labour for the sake of masters were slaves.

Questions and Answers

1. What should human beings know?

A. About their lives and about nature.

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2. Human relations mean labour relations. Explain.

A. In nature, no living creatures except human beings perform labour. Other creatures live on the substances available in nature. But the same is not the case with humans. They eat substances available in nature, but also make many other things by doing labour. Performing labour is the characteristic feature of humans. Therefore, all the relations that form among human beings are related to labour.

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3. What kind of relations did exist among humans when they were in a primitive stage unaware of doing labour?

A. Human beings who lived in that stage unaware of doing labour were on par

with animals. The relations among those humans were similar to those of animals. Like animals, they ate whatever was found in nature.

4. What is the relation between Ramayya, the potter and Somayya, the shoemaker?

A. It is a labour relationship. They utilize each other's labour. Such a relationship is a labour relationship that exists between equals.

5. Who are 'masters'? Who are 'slaves'?

A. The meaning of these terms is still not clear in this lesson. From this lesson, we simply know that 'masters' are those who do not do labour and slaves are those who do labour. ★

35. Exploitation of Labour had begun!

Do you know what 'property' is? A slave-master would have some hundreds and thousands of acres of land. The question, 'how they got so much land' is irrelevant here. They got it. That is a fact! Even today we find rich people who possess huge lands, don't we? Ask these rich people, 'how did you get this huge land?' They would say, 'Our grandfather had given this land. Our father gave it to us. This is our family property'. Ask them again, 'how did your father or grandfather get so much land?'

They would say, 'our grandfather and father worked very hard and earned that land'. They would repeat the same answer if you phrase the same question in different ways. In fact, they themselves are not aware how that much land had become their family property. They say what they know and believe it to be true. It is true that slave-owning families have been in possession of huge properties ever since slavery began.

How does it sound if someone or even a family member shows a river or an ocean and says, 'This whole river is mine. This ocean is mine. This is my property!' It sounds the same way if they say so with reference to land (earth). Earth is a natural substance. No human being has made it. Hence not even the

smallest part (as small as the *leaf of a tamarind tree*) of earth cannot be somebody's property. Instead of saying as small as the *leaf of a tamarind tree,* it may be more appropriate to say, 'as small as the *point of a needle'.*

Human beings ought to live on earth only, don't they? They cannot live in the sky, can they? Therefore, every human being has the right to use earth for living. But, he ought to claim the earth by doing some labour of his own. It is not possible for just one or two people to take up certain kinds of labour. More number of people will have to do it collectively. Thus, for example, ten people together can raise crops on a piece of land and then share the crops. All of them can build a few houses and live in those houses. In this manner, they can make use of the land to satisfy all their needs. In such a situation, the land would not be any particular person's property. When one generation of people become old and pass away, another generation of people will have to use that land, isn't it? Therefore, one should not misuse that land. No one should occupy it saying, 'this is my property'.

But the slave masters had grabbed as much land as they could and declared the whole earth as their own property some hundreds and thousands of years ago. They took under their possession not only the land, but also fellow human beings in order to make them do labour on their land. Those human beings whom the masters took under their possession were the slaves. This means a slave-master is (1) the owner of the land and also (2) the master of the slaves. These two acts were great blunders. These blunders were committed a long time ago. [The first blunder is being committed even today.]

To make any article or to do any labour the first thing that is needed is land. The natural substances which the land yields turn into raw materials and tools. For work places, houses, roads — for anything and everything land is necessary. Such precious land is a tool! A means! A means that we get without paying any 'value'!

We may call articles 'products'. Products are those which are produced. As land is a means to produce products, we have to call land 'means of

production'. Slaves who produce products (articles) are producers.

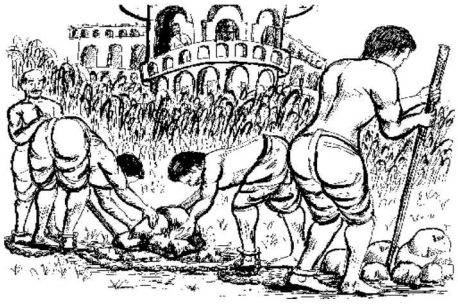
Occupation of both land and slaves by the slave masters as their personal property amounts to occupying (1) means of production and (2) producers.

The entire land became the property of slave-masters!

Slaves do not possess land. Why talk of land? They do not even have rights over their bodies. Slave masters could buy or sell slaves just as they bought or sold cows and she-buffaloes. Overcome by anger, they could even kill slaves! Such killing would not be a crime. Since slaves were the property of the masters, they could do whatever they wanted with their property!

Would the master, who would say 'this land is mine', do any labour? Would he raise any crops? His family members would not do any labour either at home or outside home. They turned fellow-human beings into slaves in order to escape from all kinds of labour only.

Women, men, children and everyone else among the slaves do labour for the sake of their master's family. It is the slaves who make raw materials, tools, auxiliary materials and everything else necessary to carry on with all kinds of labour. All these means of production are the property of the master.



The slaves cultivate the land of the master and raise crops. They rear cattle; drive carts. They carry the palanquins in which masters sit. They do all domestic labour in the house of

the master. They take care of the children. Not simply this or that work, they do all kinds of labour necessary for the comfortable living of the master's family day and night.

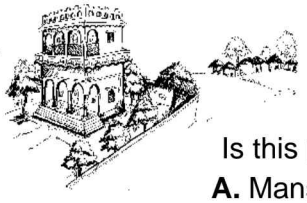
What do slaves, who do so many kinds of labour, get in return? *Fistful of food* and a hut in ruins that will keep them alive with weakened breath. That's all! They receive even that meager means because, if the slaves are not alive, the masters have to do all kinds of labour which their slaves used to do. Therefore slaves ought to live not for their own sake but for their master's. It is necessary for the master to make sure that the slaves are alive. Feeding slaves is akin to feeding oxen. We have not yet seen what is 'exploitation of labour' in this lesson. That will begin with slave masters. We will see this in the next lesson.

Questions and Answers

1. What is 'property'?

A. Land and other means of production, money, house, articles in the house like silver and gold jewels etc. Anything of this sort is property. Everything made of labour is property.

2.



Is this property?

A. Mansion is made of labour. Hence it is property.

3. What is the property that a slave-master would have?

A. Hundreds and thousands of acres of land; hundreds of slaves who cultivate that land. That is, means of production and producers. — These two are the properties of slave masters.

4. How slavery must have started in the first place? Can you explain in brief?

A. For this, every country has its own history. Yet the essence of all histories is the same. In the primitive times, human beings used to live in bands, clans and tribes. They used to wander in search of water ponds, fruit-bearing trees and animals. During those stages, people of one clan or tribe were used to attack the other tribe, kill them and occupy their territory. During those days, those were like attacks of animals. Gradually, they stopped killing the captives after those attacks and found a way of making them do labour. All histories tell us this is how slavery had begun. ★

36. Vulgar and Perverted Culture of Slave-Masters!

Let us suppose that a slave-master's family has a thousand-acre land. Let us also suppose that in order to grow crops in that land, the expenditure on such items as seeds, fertilizers and tools (implements) is equal to the crop that would be raised in 50 acres. There are 100 slave-families who work in those 1000 acres. Their maintenance cost would be equal to the crop raised in 150 acres. The cost of maintenance of each slave-family would be equal to the crop raised in an acre and half.

Details of crops:

Total crop: Crop raised in	1000 acres.
Cultivation cost: Crop raised in	50 acres.
Labour of the slaves: Crop raised in	950 acres.
Maintenance of Slaves: Crop raised in	150 acres.
For the landlord: Crop raised in	800 acres.
This is part of the labour of the slaves.	

The slave masters do not perform any labour. Only slaves do all kinds of labour. What does this mean? What does actually happen between slaves and slave-masters? If the families of the slave-masters are alive even without doing any labour, how is it possible? It is merely because of the labour of the slaves! Owing to the labour of the slaves, a mass of various kinds of products are produced. After deducting the cost of minimal maintenance of the slaves from that mass, all that remains would go to the master's family. If the slaves do various kinds of labour for 18 hours in a day and receive only 2 hours of that labour for their maintenance, what would happen to the remaining 16 hours of labour? It would go to the master's family.

Let us suppose that slaves working for the master do labour for 18 hours a day and use articles produced with 2 hours of labour for their maintenance. What is the remaining 16 hours of labour? This is surplus labour. Labour performed extra. Extra than what? Over and above what slaves used for their maintenance. While slaves use only 2 hours of labour per day, why should they do labour for 18 hours? They must do. No other way. Slaves must do that much

extra labour in order that the master's family lives in comfort and luxury.

How many acres of crop that the total labour, which the slaves did, contains in the example of thousand acres? What they receive for their maintenance is the crop raised in 150 acres + the crop that goes to the master's family is from 800 acres = crop raised in 950 acres.

What does this mean? This means the master is taking away a very large portion form the labour of the slaves. This is exploitation of labour of the slaves. This is exploitation of labour. This practice of exploitation of labour had started thousands of years ago during the period of slavery. All the families of masters lived on the exploitation of labour.

Slaves live on their own labour. The fact that they work for 18 hours and receive a small portion for their maintenance out of those 18 hours of labour implies that they live on their own labour and not on others' labour. Not by exploiting others' labour.

Whereas slave-masters live without doing any labour and by exploiting the labour of the slaves. This means it is the slaves who were maintaining the families of the masters! The slave-masters, their wives, their children, their horses, dogs, foxes and everyone else lived on the labour of the slaves. But outwardly this appears to be just the opposite. As if the slaves were alive because of the masters!

If the slaves do all kinds of labour which are necessary for the existence of masters, what would the masters do? They won't do any thing. They become masters in order to live without doing any labour. They do only one thing: that is, 'eating'!

How can anybody spend the whole day simply eating and sleeping? How does the time pass for those who do not do any work whatsoever? Their time passes in grandeur! The masters had discovered many ways to pass their time. Luxuries, addictions and obsessions of various sorts, gambling, hunting, fun with dogs and foxes, bull-fights, horse-races, wandering around places like loafers—not just this or that; they discovered

many types of methods of killing time.

The masters would even conduct fights as a sport among the slaves. While the slaves stabbed each other with swords, bled and died, the men and women folk of the families of the slave-masters watched the fighting and suffering of other human beings with great joy. That was the way of life for those masters who spent their time without doing any labour. Emotions such as pity, kindness,

compassion, or humaneness were non-existent at that time.

As far as the women of the masters' families were concerned, they had additional means of entertainment such as frequently changing dresses, ornaments, jewels etc. On the whole, luxuries and vices would be the way of life of the families of slave-masters. Such a way of life would become their 'culture'. Luxuries, vices etc had first emerged for entertaining the slave masters only.

Questions and Answers

1. Let us say, the land property of a slave master is 1, 000 acres. It includes grain crops, fruit gardens, resorts, cattle and so on. We refer to fruits of various kinds of labour performed as 'grain'. In order to carry on all kinds of work and raise crops in all the thousand acres, expenditure on the means of production would be equal to the crops raised in 50 acres. Does the entire crop raised in those thousand acres in a year represent the labour of slaves?

A. Whatever be the expenditure spent on such items as ploughs and seeds to raise crops in thousand acres would be the expenditure on means of production. The second portion that remains after deducting the expenditure of means of production every year, would be the labour of slaves. Although it

is the slaves who always produce means of production as well, that labour would always be 'past' labour. After deducting the expenditure spent on means of production from the crops raised in thousand acres in a year, what remains is the labour of slaves for the current year. That would be the crop raised in 950 acres.

2. What do we mean by the 'fruits of labour of slaves'?

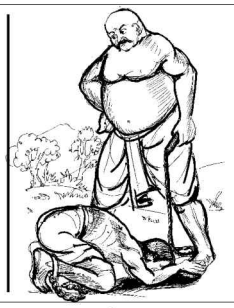
A. Slaves do labour. Products are obtained. From the mass of these products, the expenditure spent on means of production necessary to carry on the relevant types of labour should be deducted. Then the remaining products are the result of slave labour.

3. Means of production such as spades, crow bars, ploughs are necessary to do the labour of cultivation. Whose expenditure is it?

A. All those means of production are the property of the master. But, it is the slaves who make those tools. All those were made due to the labour of the past slaves. While those means become old and unusable, the then existing new slaves would make them. But when we consider cultivation of a given year, the means of production used up are not made by the slaves working during that year. Slaves do labour with the means of production already made. Means of production will always be the property of the Master. But they are made due to the labour of the slaves.

4. What is the relationship between a master and his slaves?

A. It is the 'labour relations'. It is the slaves who perform labour. It is the masters who live on the labour of slaves without doing any labour of their own. These relations are not the same as we find between Ramayya, the potter and Somayya, the shoe-maker.



5. Do slaves have other names?

A. As slaves serve the families of the masters, they are 'servants'. As they perform all labours, they are 'labourers'. As the entire production is carried out by them, they are 'producers'. But, these names do not express the condition of 'slavery'. It is only through the term 'slaves', it will be clear that 'they are the property of the master'. The terms 'servants, labourers and producers' do not indicate the fact that they are the property of the master. Therefore, we have to call 'slaves' as 'slaves'.

6. Should we call the relations between slaves and masters as 'unequal labour relations'?

A. Such a mild expression is not adequate to express the nature of these relations. Slaves are the 'private property' of the masters! One person is the property of another person! They are such cruel, mean and hostile relations.

7. What is exploitation of labour?

A. Living on others' labour without doing any labour for themselves. Exploiting others' labour. It means Masters living on the labour of slaves without doing any labour for themselves. The fact that some human beings are able to live without doing any labour implies that they are exploiting others' labour.

8. The slave master does not do any labour. Slaves alone do the labour. If it is so, how can the relationship between slaves and their master be a 'labour relationship'?

A. Even if the slave-master does not do any labour, he cannot live without using the articles produced on account of labour. He uses the labour of the slaves. Therefore the relationship between the two sides is a labour relationship. But it is a labour relationship involving exploitation. If both sides do labour and exchange their products, then also it is a labour relationship. If one side does not do labour but lives on the labour of the other side, then also, it is a labour relationship. The first one is a relationship between equals. The second one is a relationship that is formed due to exploitation of slaves by the master.

9. Some people do not do any labour. But they too eat food, wear clothes, live in houses, and move in carts. How is this possible?

A. It is by means of using the products produced by others' labour. ★

37. Causes for disparity between the Rich and the Poor!

During the period of slavery, paying 'wages' or 'salary' to those who do labour did not begin yet. Although the term 'wages' did not exist at that time, whatever the slaves received from their labour for the sake of their maintenance would be like 'wages'.

We are discussing these things in detail since the same thing has been continuing even after the period of slavery. The same thing is happening even today. Those who do labour today do not have the name 'slaves'! But other things remain the same. Since 'exploitation of labour' had begun during the period of slavery, things that would happen in subsequent periods would be easy to understand if we understand exploitation of labour properly. Hence, it is necessary to see all those details here.

What do slaves give to the masters? They give 18 hours of labour daily. They give the mass of products which was the result of their labour.

Well, what would the master give to the slaves? He would give products of 2 hours out of the products of 18 hours.

Is this an 'exchange' between slaves and master? No. This is not an 'exchange'. If it is an exchange there ought to be people who do labour on both the sides. Or, there ought to be articles which the labouring people made. If there is a pot made by Ramayya on one side and a pair of shoes made by Somayya on the other, it is an exchange. Or, if a hair cutter and a doctor do labour for each other, it is an exchange. But what happens between a slave and a master is not an exchange of labour or of articles. It is the slaves who always do the labour. There is no labour which a master does. What the master does is that he first takes into his possession the mass of products which the slaves produced. Out of that mass, he gives a very small portion to the slaves for their maintenance. The remaining portion is for his personal use. What is happening here is snatching of the labour of the slaves. Not that he gives his labour to the slaves and receives in turn the labour of the slaves. Hence it is not an exchange.

After deducting 2 hours of labour for the maintenance of slaves from the 18 hours of labour done by the slaves, there remains 16 hours of labour and it has a name. We have seen it in the previous lesson also. It is 'surplus labour'. This is the labour spent extra. What does this 'extra' or 'surplus' mean? Over and above than what? It is 16 hours of labour which is over and above the 2 hours of labour which the slaves received, isn't it? That (16 hours of labour) is surplus labour. All the products that come from the 16 hours of surplus labour are the 'income' of the slave master. That income is not something which the master gets from his own labour

If not even one hour of labour out of those 16 hours does not go to the master or, in other words, if the slaves get to receive their entire surplus labour, how would their life have been? If at all it could happen, slaves would not remain slaves. Then they need not do so much labour. They were able to live with 2 hours of labour while

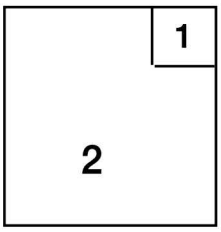
serving their masters. But they were living a pauper's life. Instead, let us say 6 hours of labour was enough to live in a little more comfort. Then that much labour (6 hours of labour) would be enough and they would not need to do more labour.

Let us see the entire labour performed by the slaves over a year in the form of 'grain'. Suppose the total labour done by the slaves is 100 bags of grain. The portion which goes to the maintenance of slave-families is 10 bags of grain. 90 bags of that grain go to the master.

What if the entire portion of grain that is obtained due to the labour of the slaves goes to the slaves?

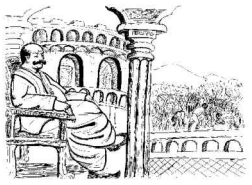
Slaves lived in dire poverty as they lost 16 hours of labour out of their daily labour of 18 hours. The cause for their poverty was that they didn't get the fruits of their entire labour. The cause for the riches of the master was that he got the labour of the slaves.

Let us see by way of a diagram the amount of labour which slaves receive for their maintenance from the total labour that they do.



This is the total labour done by slaves in a day.
1.Maintenance of slaves.
2.Surplus Labour of slaves in a day.

If slaves do labour only to the extent of their needs, their masters would get nothing out of them, right? Then how would the masters live? Then where would be the question of 'masters'? If slaves were not slaves, masters too would not be masters, would they be? They ought to do labour in order to live. If they too do the labour, they need not commit the blunder of exploiting others' labour. Thereafter they need not remain as masters. They need not live like wild animals by continuing as masters and turning fellow human beings into slaves through buying, selling and killing them.



Master.
Rich man who does not do labour

Slave. Grows grain. very poor.

Questions and Answers

1. During the period of slavery there was no system of paying 'wages' to the slaves. Then, how did the slaves live?

A. The master would give the slaves some quantity of grain in addition to a

few other things. Those would be the means of subsistence for the slaves. Though it did not bear the name 'wages', it was 'wages'. Since they received it, the slaves could survive at least for some time.

2. Is it an 'exchange' that takes place between a slave and his master?

A. No. If it is an exchange, there must be exchange of labour or articles between the two sides. Slaves give their labour daily to the master. Would the master in return give his labour or articles which he himself made? There would be nothing that the master offers. The master would take out a very small portion from the mass of products produced by the slaves and gives it for the maintenance of the slaves because slaves would be able to do labour again only if they are alive. Hence whatever the slaves get for their maintenance, it is part of their own labour. Thereafter the entire remaining labour (that is the entire production) goes to the master. What happens between the slaves and the masters is not exchange of labour but exploitation of labour.

3. Were the slaves and masters aware of exploitation of labour that had begun because of the masters during the period of slavery?

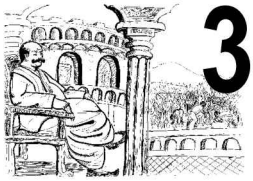
A. None was aware. Masters thought that the slaves were the property of the master. They thought it was their right to make slaves work for them. Even the slaves did not know more than that. But the masters were aware of their cruelties. Owing to those cruelties, slaves suffered terribly.

4. What is the cause for poverty and riches and wealth?

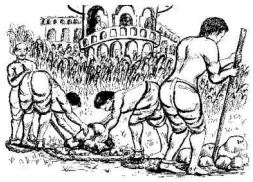
A. 'Exploitation of labour'. A slave would live very comfortably if he receives the entire product which results from his own labour. If he did not need that much of the product, he would cut down on the amount of labour he does. But what would he eat if he loses the major portion of his labour. He lives in poverty. The poverty of slaves would be at the level of beggars. If the entire stuff produced by the labour of slaves passes on to the masters, they get all the riches and wealth. If the labouring people live in poverty, it means that there exists exploitation of labour. If only few families are rich and wealthy, it means there exists exploitation of labour.

5. A thief entered into the house of a rich man in the night. He stole some money. Is it exploitation of labour?

A. No. It is theft. Theft also means taking either products made by others' labour or their money. It amounts to taking something which is not produced by their own labour. Therefore it is a crime. No one has any right to steal. But exploitation of labour is not similar to stealing. One can exploit the labour of others openly in broad daylight. The family of a master has the right to make the slaves work and thrive on the articles produced by the slaves. If a person earns some money by means of stealing, that money will be exhausted after some time. But exploitation of labour is not of that sort. It takes place daily. It has been taking place over the years and through past generations. ★



38. Hostile Classes



Some people are Slaves.

Some people are Masters.

Such distinctions as these among human beings have nothing to do with the law of Nature. It is a law which the slave masters made.

What is the relation between slaves and their masters? All aspects of their relation are connected with labour and hence they are 'labour relations'.

What happens on the part of the masters is that they exploit others' labour.

What happens on the part of the slaves is that they are deprived of their labour and are subjected to exploitation.

This relationship does not come to an end after a day or *part of a day.* This remains as the 'right of inheritance'. If a slave master dies, his entire property would belong to his family members. Thereafter, the sons and daughters of that family would continue the exploitation of labour. If slave-parents die, their children would continue slavery.

The property rights of the families of slave masters and the slavery-ridden lives of the slaves do not end with one generation. They would continue forever.

Since it is the slaves who do labour in the slave-owning society, we can call them 'labourers'. They are labourers of that period.

It is the masters who had the rights over land and the tools needed to do labour on that land, even though it is the slaves who make those tools.

Together, all the masters constitute one party, one class. It is this class that exploits labour. All the slaves, taken together, constitute another party, another class. It is this class which loses its labour and its lives. These two classes are opposed to each other. There exists hostility between these classes. These hostile classes are formed due to exploitation of labour.

<u>If these hostilities are to be eliminated for letting human beings to live amicably, exploitation of labour should go.</u> Every human being must do labour. Instead of exploiting others' labour, one has to live on

one's own labour. There should not be masterhood and servitude. Then only there won't be any hostility between them. But this change is agreeable only to the labourers, not the masters. If they could make the slaves do the labour, the masters could live without doing any labour and hence they try to carry on with the exploitation of labour.

Masters use for their maintenance some of the products which the slaves produce during the many hours of their daily labour. They sell some of the products to other masters and buy their goods. With part of the money, they buy ornaments. They also use some money to indulge in luxuries, gambling and tours. Besides all this expenditure, they would still manage to store some money in the form of gold coins. Their property includes lands, mansions, ornaments, carts, horses, heavy utensils and furniture, money coins and the slaves.

Not just one or two slaves are found in a slave-master's family. Dozens of them, even hundreds of them, are owned by some masters. The number of slaves would be as large as the land property of the masters, in order to cultivate that land .

While the slaves perform labour, day in and day out, that labour would keep on increasing the riches and wealth of the masters. Losing that labour to the masters makes slaves paupers. This is the secret of Rich-Poor distinction. It means exploitation of labour.

If everyone does labour for himself, amassing of riches and wealth would not be possible with just that labour. The amount of labour that a person could do with his body would be enough to live comfortably for a day. Excess of it would not remain unused and amassing of riches would not take place. Such an amassing would be possible only when there are classes of 'masters and labourers'.

If a master exploits 10 labourers, the surplus labour that he gets would not be too much. If the labourers were 100, the surplus labour that they give would be more. If the labourers were 1000, the surplus labour would be very huge. As the number of labourers increase, the mass of their surplus labour too would increase and the same would turn into huge property.

Questions and Answers

1. There are many differences among trees such as Neem trees, Mango trees etc. Is the difference between slaves and masters among humans similar to those of trees?

A. No. Differences among trees are natural differences. Differences among humans in complexion — like dark and fair — are also due to nature. But the slave-master distinction is not due to nature. Those who were able to occupy the earth turned into masters and imposed this rule so that they could live without doing any labour.

2. Did the slaves not have any land?

A. You have, again, come to the point where we started. Why do you talk of land when the slaves did not have rights over their own life?

3. What do we mean by 'classes'?

A. Groups of human beings who live under different conditions are referred to as 'classes'. It means, different 'groups' and different 'sections'. But the classes about which we talk here are those opposing groups which form due to exploitation of labour. Slaves who do labour form one class while the masters who do not do any labour form another class. These are hostile classes. The distinction between these classes involves hostilities. ★

39. A Question one should raise about 'property'!

We should always raise a question concerning 'property'. The question is whether a given property is formed by one's own labour or by exploitation of others' labour?

The entire property of slave masters is formed due to the labour of the slaves. Slaves who do labour have no property. They do not possess any thing: either land or other tools. Even their bodies are not their own.

Independent producers:

Would the entire population in a slave-owning society consist of only 2 categories, namely, Slaves and Masters? Would there not be any other category of people? In the past, prior to the slave-owning society when money was not yet *born,* we had

seen people like Ramayya, the potter and Somayya, the shoe-maker. Hadn't we? Would such families not be there in the slave-owning society? Such families too would be there. But their number would be very less. They were neither slaves not masters. They would possess small pieces of land and tools. Since they were not slaves, there would be nothing that goes out of their labour to others. Since they were not masters there would be nothing that they get from others' labour. These people who are neither slaves nor masters have a name: 'Independent Producers'. They may be Independent handicraftsmen or independent farmers who have small pieces of land. They are 'independent' since they have no masters. They are 'producers' since they 'produce' whatever they need. We can also call them 'labourers' since they do labour. But they are 'Independent labourers'.

Seven or eight members in a family, no matter how much labour they do, cannot work in a hundred or a thousand acres. They cannot build big mansions. Therefore, they would cultivate small pieces of land. They would construct small houses. They would do either weaving labour or tailoring labour. They would do these types of labour for others also. Not much remains after they spend their labour for daily maintenance. That is why, the property of small producers would always be very small. Yet they do not live in dire poverty like the slaves since their labour does not go to others. They do not live surrounded by wealth and riches like the masters, since they do not get others' labour. But they eat well, sleep well and live comfortably and lead a simple life.

In a slave-owning society, slaves are in larger number than Independent producers. We have to properly understand exploitation of labour since slavery was a new system that started exploitation of labour.

If it is only property formed out of the labour of the members of a family, there would be a limit to it. It won't increase beyond a certain limit. But the property of a master is not something that forms due to the labour of his family members. It forms due to the labour of others. Therefore there would be no limit. The property that forms due to the

exploitation of 500 slaves would be 5 times more than the property that forms due to the exploitation of 100 slaves. The more they exploit, the bigger is their property. The fact that there are 5 thousand acres under the possession of a slave-master implies that there are thousands of slaves who are made paupers, leading oppressed lives. Therefore whenever we hear the word 'Private property', at once we should raise the question, 'Is it formed due to one's own labour or due to exploited labour?'

When did slavery begin and in which country? If we want to know the time, it started some thousands of years ago. If we want to know the country, not just in one country but in many countries.

To the question 'whether slavery existed in India?', different researchers have different answers: that it 'existed in some regions'; 'never existed anywhere', 'existed but in a variety of ways' and so on.

If slavery did not exist, the system of Independent producers would exist. That system had transformed into slavery in many countries. Irrespective of where exactly slavery existed, we need to know its characteristic features. We have to understand the relations whether or not slavery existed in India.

Many new, hitherto unknown phenomena, had started only in the slave-owning society. 'Trade', 'money lending', 'state power'— are some of these new phenomena that started since then!

Questions and Answers

1. In how many ways 'property' is formed?

A. In 2 ways. (1) Through one's own labour. (2) Through exploitation of labour (of others).

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2. Slaves perform labour. Would they get property due to their labour?

A. Slaves have masters. The portion which the slaves get from their own labour is very meager. It won't be sufficient for them to live. Further, slaves themselves are the property of the masters! Then where is the question of property of the slaves?

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3. Where do we find property which is formed by one's own labour?

A. Independent labourers who do not have masters or who are not masters could acquire small property. Whatever remains after

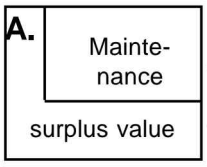
spending some portion of their labour on their maintenance would be their property.

4. An Independent labourer has no a master. Yet do we find 'surplus labour' in the labour of an Independent labourer?

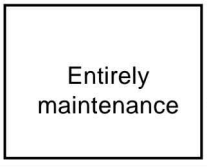
A. This will be clear in the subsequent lessons. If slaves work daily for 18 hours and receive only 2 hours of labour for their maintenance, the surplus labour of the slave would be 16 hours. If the example of an Independent labour is similar, the same thing would happen. If the Independent labourer does 18 hours labour daily and uses only 2 hours of labour for his maintenance, the remaining 16 hours of labour would be surplus labour. It would belong to him. Or, if the Independent labourer does 18 hours of labour and uses 10 hours of labour for his maintenance, his surplus labour would be 8 hours only. Or if he uses the entire labour for his comfortable maintenance, there won't be any surplus labour. This means, if we want an answer to the question, 'Would there be surplus labour in the case of Independent labourers', we need 2 details. (1) How many hours did an Independent labourer do labour? (2) Out of his labour hours, how many hours did he use for his maintenance? If we have these 2 details, we would know whether he did the same amount of labour which he used for his maintenance or more labour than what he used. If we come to know that there is no surplus labour in the example of an Independent labourer, it means that he did the same amount of labour which he used and not more. Or, if there was surplus labour, it means that he did labour equivalent to what he used and in addition, some extra labour.

5. Show the surplus value in the labour of an Independent Labourer.

A.



This is a day's labour. Surplus value is something that remains after maintenance is deducted. It becomes property.



This is a day's labour. It takes place daily and spent on maintenance. There won't be Surplus value.

6. There is an Independent labourer who does the labour of carpentry. He does not even have small property. But he is able to eat well, sleep well and live comfortably. What does it mean?

A. He does labour daily and uses it fully for his maintenance. He does a certain amount of labour which is necessary to buy a certain number of things which he consumes. Hence, his entire labour would be consumed. Nothing remains. If some portion of the total labour that he performs does not remain, property would not form.

7. Slave master's family consumes a lot of labour for its maintenance and luxuries. Yet huge property forms. How is it possible?

A. This means, the surplus labour that he gets from his slaves is so huge! The Maintenance of the master's family + Luxuries + Property —This whole lot is the surplus labour of the slaves. Since slaves would be in hundreds, it is possible for the master's family to gain so much.

8. When exploitation was taking place on such a large scale, how could slaves live?

A. Did the slaves live at all? They used to live with ailments for sometime and die in their youth. Yet their offspring (children) would continue serving the masters again. These children too would die at an early age. ★

40. Commerce and Comercial profit, loans and interest in the slave-owning society!

All the products which slaves produce first come into the possession of the Masters. The Master would want to sell some of those products. He calls the person who does the job of selling, gives the products and says, "Get me these things sold. We get money for these things. Out of the sale proceeds give me a certain amount and take a certain amount."

The person who does the job of selling products is a 'trader' or 'merchant'. It is his job. He buys products from the slave master and sells them to other masters who need them. The activity is called 'trade' or 'commerce'. When he sells the products, he would first get the entire amount in return to the products. Out of that amount he would pay whatever he has to pay to the master of the products and retains whatever is due to him.

We have to deduct all the expenses connected with the trading activity from the amount which the trader retained. Still, something is left. The name of the money which remains at the end is 'profit'. Since it came out of trading, it is called 'trading profit' or 'commercial profit'. That profit is 'income' to the trader.

Well, then, what is that 'profit'? Is it the result of the labour of the trader? No. What did the trader do? Selling and buying. We have seen that these activities are unnatural. Whoever might do that work, it would not be labour done for making the sold product. That labour would not add to the value of those products. But the person who did the work should get some income. If one does not get income, there would be no one to do that work. Therefore, the trader gets his income not due to his labour but from the labour of the slaves. This is how it happens: the slave-master gives the products which his slaves produced to the trader and asks him to get them sold. When the trader sells those products, he gets money in return. Some portion of that money is due to the surplus labour of the slaves. From that portion, the master gives some amount to the trader. With that amount, the trader does the job of selling. Some products are consumed in the work of trading. After deducting trading expense, there remain some products. Those products constitute 'profit'. That is commercial profit which the trader gets through trading.

The term profit had first emerged in the slave-owning society out of the trading activities. The income called profit which the trader gets through trade is part of surplus labour. This means traders in the slave society also live on the exploitation of slaves. However, there is some difference here. Whether the trader does this work of trading himself or gets it done by the slaves? If the trader does the work of selling himself, his income would be something that he got in return for his labour. Or, if he gets that trading work done by slaves, it would be an exploitative income.

[We do not understand these points here. We have to see subsequent lessons also. For the present, we have to understand that the commercial profit is an income which the trader gets from the surplus labour of the slaves.**]**

There would be Independent producers also in a slave society. They too sell some of their products. They buy things. If they do this work of selling and buying for themselves, it would not be 'trade'. Or if they assign

that work to a trader, they have to give to the traders some portion of the money they get in return for their products. Thus some portion of the labour of the Independent producer who produced products goes to the trader as profit.

[Don't worry if these points are not clear here. They will be clear later.]

Interest

A slave-master named 'Dora' has 10 slaves. He wanted to buy one more slave. For that he needs 100 rupees. But he has only 40 rupees. He went to another slave master named 'Setti' and asked, "Setti! I want to buy a slave from Reddy. I need 60 rupees. I will return them in a month." This is called 'borrowing' or asking for a 'loan'. Setti, while lending money, said, "When you repay the money, you have to pay 10 rupees extra, understand?"

"Oh! Why not? I'll pay as you wish", said Dora. Feeling happy about securing the loan he left immediately with money.

After a month, Dora went to Setti with 70 rupees and paid him the amount. Out of that 70, 60 is called 'principal' amount and the extra 10 is called 'Interest'. This means, if any one borrows some money as loan, they have to pay some more money while repaying. That is 'Interest'. The nature and source of interest is the same as that of 'Commercial Profit'. That is from the surplus labour of the slaves.

It is no wonder to see the master who borrowed 60 rupees as loan paying 60 rupees. But he has also paid Rs. 10 as 'interest', hasn't he? Where did he get it from?

He pays from his 'income' only. What is the income of that master? It is the 'surplus labour' which he grabbed from the slaves. He sells some of the products which he got from the surplus labour and pays interest to the lender. Because of this, the products which the borrower-master should have consumed would become less and that portion would go to the lender.

For the person who lends money and receives interest, interest would be his income. Here the person who lent money and earned interest was Setti, the slave-master. This master has 2 types of income. (1) The surplus labour that he gets from his slaves. (2) Some portion

which he gets from the surplus labour of slaves of other slave-masters in the form of interest. These 2 types of income are the surplus labour grabbed from the slaves.

In this manner, commercial profit and Interest are the products that come from the surplus labour of the slaves. Which means, these are due to exploitation of labour and these had begun in the slave-masters' society.

Questions and Answers

1. Commercial profit is secured by buying products and selling them. Interest is secured by lending money. When did these forms of income begin?

A. As these forms of income are part of the income which was secured by means of exploitation of labour, we can say that they had begun in slave-owning society since exploitation of labour began in that society.

2. How can we say that there were no 'commercial profit' and 'interest' in primitive tribal society that existed prior to slave-owning society?

A. Those are incomes secured by means of exploitation of labour, aren't they? In case they existed among the primitive tribes, we should assume that exploitation of labour had begun in those tribes. If exploitation of labour existed in those tribes, they would not have existed prior to that. There would be a time when there was no exploitation of labour and no trade and no interest during that time.

3. Was loan without interest not possible in the past?

A. It was possible. Suppose new pots are not ready with Ramayya, the potter. One day, he needed shoes rightaway. He could get those shoes telling the shoe-maker that he would give the pot later. This amounts to taking a loan. If he gives the pot immediately after it is made, it would amount to repaying the loan. This is loan without interest.

4. Selling of commodities and circulation of money were not prevalent in slave-owning society, were they? How incomes like commercial profit and interest were possible then?

A. Those need not take place by means of money. The trader of that time could give the products of one master to another and vice-versa and could take some products from both the masters in lieu of that work. Same thing could happen in the case of interest. One master could lend his products as loan to another master or a trader and could take

slightly more products as interest while taking back. If a master borrowed a bag of grain as loan and gives more than a bag of grain while repaying the loan, it amounts to paying interest. Commercial profit and interest are possible without money.

5. A master borrowed a bag of grain from another master. He gave little more grain while returning the borrowed grain. Show this in the form of figures.

A.

Actual grain borrowed as loan. Grain given as interest.

6. What is the source of grain given as interest?

A. As this is a transaction between masters, the source is the labour of slaves irrespective of whether it is 'principal amount' or interest'. ★

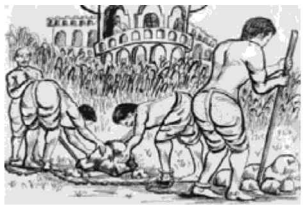
41. Emergence of 'State' in the Slave-Owning Society

Even though slaves performed various kinds of labour for the sake of masters, they did so under compulsion and not willingly. They tried to disobey the orders of the masters and rebel against them. They tried to run away into forests. Therefore, masters needed new ways of suppressing slaves. They had to threaten slaves so that they work properly.

As a result, a group of people got together in order to oversee whether the slaves were doing work or not in their work places. Those who oversaw were also slaves. The master assigned that work to them. They acted in favour of the master and in opposition to the slaves. The Overseers roamed among the working slaves with big whips and make them obedient out of fear.

They tied blocks of heavy stones to the feet so that slaves would not run away. The slaves had to do the work while dragging

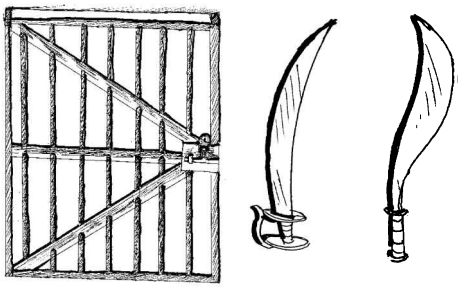
those blocks of stones. They fixed bracelets to the wrists and locked the bracelets while not in work. They fixed carcanets (collars) resembling the pointed horns of a deer around the necks of



the slaves. If a slave ran away into the forest, the horns pointed upward would be entangled into tree branches and the fleeing slave would be stopped. By then, the servants of the master would start searching for the absconding slave with dogs as huge as elephants, armed with knives in their hands. As soon as they found the slave entangled in the tree branches, they would kill him either by stabbing him or by inciting the dogs to tear him into pieces. Or they would take him back to the master and subject him to the worst kind of torture. The crime of that slave would be just trying to runaway!

The masters were not satisfied with such methods of torture in order to suppress the slaves. Then they needed 'State'. State means, rule to suppress the slaves. The slave master who had the largest property among all other masters would become the 'king'. Largest property means thousands of acres of land and hundreds of slaves to cultivate that land! All the masters would agree to choose a master with huge property as the king. There would be ministers and their retinue around the 'king' who had the largest property. All of them were slave-masters. All of them were property owners. What all of them did in the name of ruling was suppressing slaves. The morals preached by their rule: "The entire land is the property of the masters! Slaves are also the property of the Masters! It is the duty of the slaves to serve their masters with humility and obedience. Those who do not do so will have to face various kinds of punishment."

To facilitate such a rule by the king, departments like the protective force (the police), the



Jails & Swords to punish slaves

courts (Judiciary), Jails (Prison system), gallows, guillotine etc. had emerged.

For the functioning of all the departments in the State some products are necessary. The slave-masters would pay all those products to the king. Such payments are called 'taxes'! From where would the masters pay the taxes? From the 'surplus labour' of the slaves.

Profits which the slave masters pay to the traders while selling the products, the interest which they pay towards their loans, the taxes which they pay to the State (Government) and finally the expenses which they incur for the maintenance and luxuries of their families — every thing is part of the surplus labour of the slaves.

Questions and Answers

1. What is meant by 'State' rule? When and why did it start? Was there any period of time when this was not in existence?

A. If we say that the 'state rule' started at a specific period of time, it means that it did not exist before that specified time, isn't it? The rule by the State had begun during the period of slave-owning society. It began so as to enable the class of slave-masters to suppress the class of slaves. The hostile classes had begun due to exploitation of labour. All the steps taken together to force slaves into being fearful and obedient constitute the rule of the State.

2. Who were those people who used to roam around with whips and oversee the slaves in the work places?

A. They too were slaves. When masters assigned them such jobs, they would have no choice. Gradually, they would turn in favour of the masters and act in opposition to the slaves.

3. How would the masters spend the products which they get due to the surplus labour of the slaves?

A. (1) Out of the surplus labour, they paid some portion as taxes to the 'king'. (2) If they borrowed loans from other slave-masters, they would give more products towards 'interest' while repaying the debts. If they did not borrow, nothing would go in the name of 'interest'. (3) If they wanted to sell some products, they would give them to the trader who got them sold. (4) The remaining would be for the master's family. This portion would include the maintenance of that family, feasts, luxuries and finally some jewels too. All this would happen once a year. ★

42. Teachings of Religious Texts to the Slaves: Sin and Piety! Heaven and Hell!!

We are still in the slave-owning society. Slaves lived freely in the past prior to the period of slavery. In the beginning days of slavery, people were unable to withstand that miserable life and hence tried to escape with whatever courage they had. Without caring for the punishments they started to rebel in their own way.

The masters had cleverly realized that methods of punishments, using swords and daggers, to suppress slaves would not be enough. Then they invented the means to make the slaves surrender willingly and not out of fear! To achieve this, masters discovered that belief in god and religious preaching would effectively function. 'Serve your master'—instead of telling this in a dry-as-dust manner— poets and artist began to tell the same thing in the form of stories on behalf of the masters. They too were slave-Masters who owned property.

The poets composed volumes of religious texts with various kinds of stories that pleased the Masters. The stories which those religious texts narrated would be as follows: 'In the past, there was a slave named Kannayya. He was most sincere. He used to carry out the orders of his master faithfully, obediently, and with humility. He used to serve his master day and night with dedication and make his master happy. In this manner, he served his master and got a lot of piety. When he died God himself came, sat that pious man beside him in his chariot and took him to the heaven. There, the slave is still happy seeing all the gods daily, drinking celestial nectar and strolling in the garden.

But, there was another slave called Polayya in another story. He was a very wicked guy. He did not show any respect or obedience toward his master. He never tried to serve his master with care. He used to be in a sleepy mood always and used to stop working and go to sleep during nights. He used to resort to cunning tricks to run away

from the master always. He did not learn any lessons even though the master incited his dogs to tear him apart many a time. He did not feel ashamed even though he was stabbed many a time. He hated his master till his death. That is how he committed a lot of sin. Because of that sin, he went to hell after his death. The soldiers of Yama, the ruler of the hell and god of death, are still burning him in fire; roasting him in pans full of boiling oil. They are letting him fall from the top of the hills. They are giving him a hell of hardships. Now that guy is crying daily, 'Alas! I cound not serve my master!'

Have you understood? The guy who served his master loyally went to heaven while this wicked guy went into hell —this is how stories in the religious texts read!

Slaves were illiterate and they could not read. Hence in order to preach to the illiterates by way of stories, lyrics, devotional songs, professionals like *Hari Das* (one who praises Lord Vishnu) and mythological-story tellers had emerged. All of them were supporters of the class of masters. They wore a thread from neck-to-waist and kept a very small lock of hair at the back of their shaven head and told the slaves that they were pious people. They made the slaves — who dozed off, having worked throughout the day — sit up throughout the night and tell them all kinds of stories accompanied by beats of the instruments and singing tunes. In the middle of their narration, they entertained by telling cock and bull stories. All those stories were the moral preachings of the master!

All the mythological stories which the slaves listened to were of the same type. Gods, sins, piety, heaven and hell! After listening again and again and again, all the slaves would internalize those stories and songs. Belief in heaven and hell took strong roots. They would be afraid of hell and desirous of heaven!

Religious texts emerged only to teach the slaves that they

would become sinners if they rebelled against the master and would get piety if they served their masters with obedience. Each and every religious text, in that sense, is sharper than hundreds of swords. Any moral of each and every religion is harsher than the grey hounds which tear the bodies of the slaves into pieces!

Finally slaves surrendered to the illusions created by religious texts. One odd slave, who had refused to surrender, would start agitation now and then. The soldiers of the king would take care of punishing such rebels. Punishing means nothing but killing.

Questions and Answers

1. Was belief in god inculcated to suppress slaves?

A. During the primitive stages, human beings did not know any thing about nature. When it thundered in the sky, they used to imagine that there was somebody over there making such sounds. Such ignorance led to the belief in god. It was all due to the ignorance as to why it thundered in the sky. The misconceptions formed about nature would vanish gradually as people came to understand nature. But conceptions of heaven and hell were not formed solely due to ignorance. The real objective of such conceptions was to suppress the class of slaves with fear. If we see the stories in the religious texts, it would be clear that they were composed only for the sake of slaves. ★

43. Master-Labourer Relations!

A slave would get a *fistful,* meager food as long as he could work. A disabled slave would be unfit even for sale. In view of the masters, it was a waste of money to feed a slave who could not work. They killed such slaves. Or abandoned them and let them live by begging.

Masterhood did not exist before slavery started. No human being was either a slave or a master in the past. Such human relations turned into master-

slave relations in order to exploit labour of others. The relations formed between those 2 classes were the principal relations in that society. Those relations continued for some thousands of years. There occurred many rebellions waged by slaves intermittently during that period. Those struggles faced defeat most of the time. Crucifixion was a dreadful punishment which the masters invented against the slaves who rebelled. Crucifixion meant put-ting a slave on a cross-shaped wooden plank and nailing his body to that cross!

That helpless person experienced hell of a suffering for a few hours and finally died.

But the most shocking fact is that even such dreadful punishments could not suppress and prevent slave revolts. Since the sufferings of the slaves were so dreadful, they continued to revolt against their masters.

[The most wonderful book that depicted the slave revolts is an English novel titled '***Spartacus***'. Howard Fast, an American writer, wrote this novel. The story of the novel had really taken place in and around Rome (of Italy) 2 thousand years ago. The original book is lengthy. We have its Telugu translation by Mr. Akella Krishna Murthy. But children may not read it with patience. I prepared an abridged version of the book with the same title in which I retold the story in Telugu. I think the Telugu-reading children can read it. If they read it, they would know about the miserable lives of the slaves, the cruel luxuries of the masters, and the revolts of the slaves against their masters.

Later on, they can read the lengthy (Telugu) translation.]

The slave revolts were not against exploitation of labour. Nor they demanded land. In fact, slaves were not aware of the exploitation of labour. The masters too were not aware. In fact it was the belief of the slaves that 'the entire land is the property of the masters. Therefore, their struggles were not for the sake of land. They were mainly against slavery.

As a result of the slave revolts, slavery was abolished gradually.

[This abolition was true in one sense and false in another sense. It is false because slavery has been continuing here and there till recently in the world. There is a novel in English which depicts slavery in America that existed till 1865. The name of the novel is '*Uncle Tom's Cabin*' and it was first published in 1851. The writer of the novel is Harriet Beesher Stowe. This novel is also very long and voluminous. There is no Telugu translation available. But I have prepared a retold version with the title '*Tom maama Illu*' [word-for-word meaning: Tom-uncle-house]. If we read the novel, we would know many details as to how slavery continued till recently and how slave masters behaved.]

Due to struggles of the slaves in the past, slavery was abolished in some countries. Thereafter, the slave-owning society changed into 'feudal society'. We will see it later.

Questions and Answers

1. Did begging begin during the period of slavery?

A. Suppose the master stopped feeding the slaves who were ailing with diseases or old age. What other means would they have except begging?

2. If Independent labour existed during the period of slaves and slave-masters, why should we call it slave-owning society?

A. Because: society that existed till then was a society where there were equal relations of labour. Gradually a change began whereby equal relations of labour turned into unequal cruel relations. Since such a huge change took place, it was no longer the same old society. As there occurred a change, a new name indicating that change would come into usage.

3. What was the aim of the struggle by the slaves?

A. What could be the aim of the struggle by the slaves, after all? Its aim

would be freedom from slavery. They were ready to do labour but not to be the property of the masters. Hence the struggle.

4. What was the cruel punish ment that tortured slaves?

A. This picture itelf is the answer.

5. Slavery means existence of a human being as the property of another human being, isn't it? Would it not be clear that such a situation is base and mean? Even if we do not know about 'exploitation of labour', would one human being have the right to sell, buy or kill another human being? Did they not know such a simple thing as this at that time?

A. 'Knowing' means awareness of certain ideas, certain views. After the emergence of 'hostile classes', views, intelligence, knowledge, logic and everything else took shape in accordance with the class interests. For a slave-master, slavery was very beneficial, as it was a source of comfort and happiness. All the thoughts and ideas of a master would form in accordance with his class comforts. Master's thoughts would not go beyond his class consciousness. The whole logic of the master would be for his own benefit. He thought, 'slaves do not have property. I am maintaining them. They are my property. I will use my property as I like'. Whatever was useful to their class would be the nature and philosophy of masters. Their views were their philosophy. They believed in whatever they wanted. The class of slaves would have intense hatred toward slavery and the class of masters. It always tried to revolt. But it remained suppressed since it was helpless. The essence of the matter is that ideas of human beings do not form without any connection to their classes. We have to understand 'human beings' as 'class human beings'. (There won't be human beings who do not belong to some class or the other. In the society of those days, a human being would exist as a human being of either class of slaves or class of slave masters. Otherwise, he would belong to the class of Independent producers. There would be no human beings who do not hold views formed in accordance with their class. However, there is another point related to formation of ideas. The class of Masters is the ruling class. This class would always teach its ideas to people. Education, art, culture—everything is filled with the ideas which the class of masters advocated. Though the labouring class acquired ideas of its own class, ideas of the class of masters would be dominant.

6. When can we use the term 'human beings' without reference to 'classes'?

A. When we compare with living beings like pests, insects, birds and

animals. We can say: 'Animals do not perform labour, human beings do. Animals do not speak, human beings do.' These differences between animals and humans is related to Nature. All human beings are the same when we compare them with animals. When we compare humans with humans, all humans are not the same. Then we have to see social distinctions among humans. The distinctions among humans are not related to Nature. We should not think that all human beings are living under the same circumstances.

Within human beings, we have to make a distinction between 'master human beings' (human beings who are masters) and 'slave human beings' (human beings who are slaves). This means we should view each and every human being in terms of such detail as, 'what class does he belong to? The class of masters or the class of slaves?' ★

44. Society of Land Lords

The property of slave masters is of 2 types, isn't it? (1) Land plus other tools. (2) Slaves who do labour.

Now, due to the abolition of slavery, the masters have lost the second property right. That is, they lost their right over the slaves. Now slaves are no longer slaves. Now they are no longer the property of the master. Now the master would not have the right to buy, sell, or kill the slaves. Except for this single change, all other things remain as they were under slavery. Even now the entire land is the property of the masters. Now this master is not a slave-master. He is the master or owner of the land only. Therefore he is now the lord of the land. Landlord. Due to the change in the name, the slave master has become the landlord.

The first type of property is enough in order to continue exploitation of labour. It is enough if he is the owner of the land and other means of production. Those who do not have the means of production would approach these means. Those who do not have land would come to the land. Now see how exploitation of labour is carried out by this master who

has become landlord!

Now slaves are no longer slaves, are they? Who would raise crops in the land of the landlord? Would the family members of the landlord perform labour for themselves for their maintenance? Even if they do, they cannot do in a thousand acres and hence would they keep only 5 acres and give up the rest of the land?

[Alas! What sort of imagination is this? An imagination that fails to understand the nature of the landlord class.]

Well, then, who will do labour in the land of the landlord? The slaves got rid of slavery but have not secured land, have they? Where do landless people raise crops for their maintenance? They have to go wherever there is land. That is, to those who possess land as their property.

Now people who do not have land would go to those who have land. That is to the landlords. They would ask, 'Sir, we will cultivate your land and raise crops in it. Please permit us'. Any way the landlord's family needs people to do labours, don't' they? Hence, the landlord talks as if he has generously consented, 'Okay guys, raise the crops.'

This landlord is the slave-master of the past. The thousand acres of the past are the property of this landlord's property. The slaves of the past are the present labourers. Let us call these labourers 'peasants' ('farmers').

The landlord would say to the peasants as follows: "Each of your families take a certain area of my land individually and cultivate it separately. Out of the crops that you raise, the crop in an acre and a half would meet the maintenance of one family. Likewise, some crop would suffice the cultivation costs. Hand over the remaining crop to me! It amounts to paying 'land rent' to me. The entire land is my property. As I am giving my land to you for your livelihood, you must pay me the rent. That is the condition."

Thus the slaves of the past would now become tenant peasants. All the calculations connected with the crops in thousand acres would remain as before. The total cost of maintenance of all the 100 peasant families would be equal to the crop raised in 150 acres. The crop in an acre and half would go to each family every year. The crop raised in 50 acres would go

to meet the cost of seeds, manures and tools. After deducting these costs, the remaining is the crop raised in 800 acres. That is the rent for the landlord's family!

Whatever happened in the case of the slave master, the same thing happens in the case of the landlord! What is it that goes to the landlord's family in the name of 'rent'?

Questions and Answers

1. Who is a 'slave-master'? Who is a 'landlord'?

A. The slave-master would have the property rights not only over the land but also the slaves who do the labour, whereas the landlord would have rights over the land only and not over those who do labour.

2. Would the slave-master turn into a landlord?

A. Yes. After losing rights over the slaves, there remains the right only on the land. Therefore, the slave master would remain a landlord.

3. How should we understand the notion of 'progress'/'development'? What do we call progress in relation to different classes?

A. However minor a change may be, it is real progress if it reduces the injustice being done to a class. If slavery is eliminated from the lives of the slaves, it is a good change in the existing human relations. Such a change would also rescue a slave-master from wickedness. Thus it would be progress for the entire society. But the class of slave masters does not relish such a change (Progress). Given a chance, that class would dream of becoming slave masters again.

4. Is the society of landlords progressive than that of the slave masters?

A. Certainly. The fact that a situation wherein the slaves were the property of the masters has changed indicates progress for the slaves. It is progress to the slave masters as well. But they do not realize it.

5. Slavery does not exist in the society of landlords, isn't it? Would there be exploitation of labour even then?

A. What sort of a question is this? If you ask this question at this point, what is that you have understood after reading so much? Does the existence of grabbing the 'surplus labour' not mean the existence of

exploitation of labour? The existence of 'Master-Labourer relation' implies the existence of exploitation of labour.

6. Is a landlord the master of the tenant peasants?
A. Certainly. It is a 'Master vs. Labourer' relationship.

7. Isn't there any use of 'master-labourer' relation?
A. Do you know the meaning of this question? This amounts to asking, "Isn't there any use of exploitation of labour?" Why isn't there any use of exploitation of labour? There is a lot of use. For whom? For the masters. Not for the labourers. We ought to see, not only the term 'use' but any term, from the perspective of class. From the perspective of 'for this class or for that class'. ★

45. 'Land rent' means 'exploitation of labor'!

"Land is my property" says the landlord.

"Yes, land is the landlord's property. Isn't he the lord of the land?" say the tenant peasants too.

Neither of the two parties knew that the land belongs to no one. Land is something which formed naturally. The landlord had not made it. Nor the labourers made it. No human being had made it. It is the slaves of the past and present day peasants, especially the handicraftsmen, who made all the tools such as spades, crowbars, ploughs which are necessary to carry on agricultural tasks.

There is no labour of the landlord in the land. In the tools too, there is no labour of the landlord. In order to cultivate the

The land-lord does not come to the field and stand. But this picture enables us to see a person who does labour and a person who does not lbour at the same place.

land, several new types of labour starting from the tilling of the land to filling of the granary must be carried out. Even in these tasks, there is nothing that the landlord does. Finally, when we see the harvest, we do not find the landlord's labour either in 'the old labour' or in 'the new labour' in any context.

What are the various kinds of labour due to which a given crop is raised on the land? The crop is made of (1) the new labour which the household members of the tenant peasants perform and (2) the old labour that is in the form of seeds, tools and manure. A fact which we must always remember is that no labour from the land is included in 'the old labour'. Since land is not made of labour, there would be no labour that goes from the land into the raising of the crop.

Land, a tool that is naturally available, is also a causative factor for the plants to grow and the crop to ripen. However, the land is not a causative factor for adding some labour to the crop by itself. Unlike the plough which adds labour by itself to the crop, the land adds no labour to the crop.

Without the plough, the work would stop. Without the land too the work would stop. Without 'rent' the work will not stop. There won't be any rent on the land of an independent peasant. He need not pay some portion of the produce as rent to others. Yet, crops grow in that land. It means that the plough and the land are the sole requirements to raise crops. Rent is not a real requirement. 'Rent' is neither a tool nor a form of labour that comes to the work place. There is nothing that the rent does in raising the crop. Nor is there anything that the landlord who collects the rent does for the crop. The right of the landlord over the land has nothing to do with the labour. It is a false right. Rent is a false need.

The total labour needed for raising the crop belongs to the people who performed the old and new types of labour. No portion of this labour belongs to the landlord.

Let us consider the details of the crop raised in a thousand acres of land. To produce each and everything there ought to be old and new types of labour, oughtn't they? Let us suppose that, of the total labour needed for the crop, the crop raised in 50

acres constitutes the old labour. We have to keep it aside. This quantity will be required for the cultivation expenses of the coming year. When the old labour is subtracted from the 'total labour', what remains is - the new labour. It is the crop of 950 acres. It is the new labour which 100 families of the tenant farmers did. If these families could get that crop, it would amount to getting the fruits of their labour. But, each peasant family has to live on the crop raised in one and a half acres of the land only. They have to pay the crop of 800 acres as lease amount to the landlord.

Even in the society of the landlords, there were no words like 'wages' or 'salary' yet. Although these terms did not exist, what the peasant families received was wages.

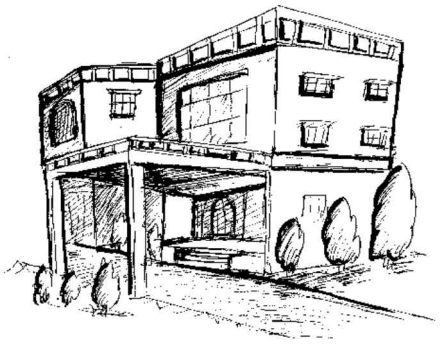
Details of the Crop:

Total crop -	crop of	1,000 acres.
Cultivation costs	crop of	50 acres.
Labour of the tenant peasants -	crop of	950 acres.
Maintenance of the tenant peasants-	crop of	150 acres.
Lease Amount to the landlord -	crop of	800 acres.

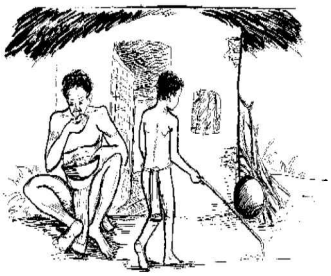
This (crop of 800 acres) is the surplus labour of the farmer families.

This rent amount is the income for the landlord's family. This is the means by which this family luxuriates without doing any labour inside or outside the house.

It is the peasants who perform all kinds of labour on the land. The 'property right' that the landlord has on the land is an unjust right. If a person does some labour and receives the fruits of that labour, it is a justified right. The landlord cannot have such a right. *Even a fistful of husk* need not go to him. Nevertheless, in the name of 'rent amount' all the labour of the peasant families goes to him.



Land-lord's mansion



poor house of a tenant-peasant

The rent amount which the landlord collects is one of the ways of 'exploitation

of labour' – a way to live without doing any labour!

This is what had happened with the slave masters in the past and what would happen with the landlords in the subsequent period of time.

The peasants paying the rent should be called labouring tenant peasants. This is because in the subsequent lessons, we will see non-labouring tenant peasants as well. Hence we ought to understand these peasants in this manner only.

Here some questions arise. We must raise them. Can't the people of the 100 farmer families collectively fight with a single family of the landlord? Can't they take the landlord's family members as captives and distribute the land among their families? A portion of the land should be left out for the landlord's family as well. Then the peasants should set the captive family free and tell them "you yourselves work on the land allotted to you". If the peasants do so, it is justified, is it not? When such an ideal path is available, why didn't they do so? Why did peasants do several kinds of labour and suffer from dire poverty? If we raise these questions, it is an indication that we are thinking.

The peasants did not do so because they believed that "it was wrong to do so". The peasants too believed that "the land was the property of the landlord". They did not know that land was nobody's property. "Why should we pay the rent?"—this question did not occur to them. Rent needed to be paid at all costs. They only wished that the rent should not be too high. The peasants knew that the landlord would never consent to reduce the rent.

When the person who possesses the land does not agree, it is for the people who do not possess the land to reconcile, isn't it? The peasants would agree to what the landlord demands with bowed heads and say "Yes Sir! We will pay the rent as you command". They would say so, but it was not possible for them to pay.

Although it is the peasants who do all kinds of labour, they do not realize their own might. They do not know that they can occupy the entire land and perform labour independently on it. This is because they have been seeing the lands as the

property of the landlords since their childhood. Their common sense taught them to be subservient to the property rights. They never think of the question "why should we pay the rent?"—this question would never occur to them. They do not know the secret that "rent means exploitation of labor". Not even the landlords know about it. In the absence of the knowledge of 'exploitation of labour', all other knowledge is but ignorance! Ignorance on both the sides.

The trading of the commodities and money lending that were born in the slave society would expand here further.

We may even imagine the existence of 'Independent farmers' here. They possess tiny pieces of land and tools. They are neither tenant peasants nor landlords.

However, in this society, the principal classes are landlords and tenant peasants.

Tenant peasants – the class that performs labour.

Landlords – the class that exploits others' labour.

They are classes, hostile to each other, in this society.

Here too, the masters/owners who live on exploitation of labour, are in need of a 'State' that protects them. This State is the continuation of the State of the slave masters.

In the government of the landlords, the biggest landlord serves as 'the king'. The other landlords accept him as their king. All that the king does is to protect the property rights of the landlord class. When a farmer fails to pay the rent, prisons and gallows would be ready for him. In the tenure of each and every king, a few thousand peasants would have perished on the gallows. A 'king' is first an exploiter himself and then a close associate and protector of other exploiters! Each and every king that appears in the religious texts is like this!

Whatever had happened in the slave society, the same thing happens here also. The same kind of monarchy! The same kind of regulations! The same kind of Masterhood and servitude! The same kind of religious sermonizing! The same kind of arts and scholarship! The same kind of riches and poverty! The same kind of exploitation of labour all over!

We have assumed that Independent producers were

present in the slave-owning society. Similarly, we have to assume the presence of Independent handicraftsmen and Independent peasants in feudal society also. Every country would have its own history. If we get proper information starting from the primitive ages, we would know about the nature of classes and subclasses present in various forms of society. If Independent handicraftsmen and Independent peasants were present in the era of slaves or tenant peasants, we have to imagine their probable conditions of labour. Since they did not have masters over them, we have to assume that their lives might have been better than the lives of slaves and tenant peasants.

Like the slave-owning society, the feudal society also continued over a period of several hundreds of years in all the countries.

During that period, many struggles by the tenant peasants took place.

While the feudal society was continuing, another society of exploiters emerged from within. It was the society of capitalists.

Questions and Answers

1. In order to raise crops on the land, we have to first do many kinds of labour. We have to fell trees, remove stones big and small, level the surface and make the land ready for cultivation. Wouldn't that whole labour be the 'value of the land'? How can we say that such land is a 'natural substance'? If the landlord takes the value of the land in the name of 'rent', how would it be 'exploitation of labour'?

A. We refer to land as a 'naturally existing substance' only before no labour of whatever kind has been done in it. The land in which no labour has been done would not have any value. If some labour has been done in a given piece of land, that value does not belong to the land but to the labour. Since such labour has been done for the sake of cultivation, it would become part of agricultural labour. If some labour had already been done in the land which the landlord rented out and if that land had been levelled like polished stone, it is not the family members of the landlord who did all that labour. It is the labour which either the slaves or tenant peasants did in the past. If we suppose the value of the labour of leveling the earth is 10, this value would add to the labour and would not be the value of the land. This value of 10 becomes part of the value of the crop that would be raised later in that land. No labour that is done in the

land belongs to the landlord. Even the naturally existing land prior to exertion of labour in it also does not belong to the landlord. Therefore, the portion of the crop which the landlord takes — from the crop raised by the tenant peasants — is exploitation of labour.

2. Were all the kings of the past history landlords?

A. They were not only landlords but also slave-masters. There were kings even in the slave-owning society. All of them were very big slave-masters and landlords. All the kings whom we see as great rulers in the religious texts were the slave masters and landlords who were the most treacherous exploiters of labour.

3. Either the slave-masters or the feudal lords of the past ages were not aware of exploitation of labour, were they? Then how can we find fault with them?

A. Even though the masters of those times were not aware of what they were doing, it is exploitation of labour that they practised. They demonstrated dreadful cruelty towards the people due to whose labour they enjoyed all comforts and luxuries. They committed those atrocities intentionally. Had they known about exploitation of labour at that time, would they have given it up? Even if they knew about it at that time, they would not have given it up. The proof for this is the present day capitalists. See the subsequent lessons also.

4. A family has a small plot of land. The members of that family do various kinds of labour in it. As they are the owners of that land, will they become 'landlords'?

A. No, they will not become landlords. They are Independent peasants. Landlords are those who rent out the land and live on the income called 'rent' without doing any labour of their own.

5. An Independent farmer leases out a portion of his land to others and does labour in the remaining portion. He too gets some rent. Will he be a landlord?

A. He will neither be a landlord nor an Independent farmer. He will be a semi-farmer and a semi-landlord who live partly on his own labour and partly on exploitation of others' labour.

6. What do you see in this picture?

A. There are two persons. One person is not doing any work while the other is working. Two people are living on the work of only one person. [This illustration is not drawn by Mr. Appala Raju. I took it from an 'adult literacy primer'. I could not get the name of the artist.]

7. Who is a 'Zamindar'?

A. 'Zamin' in Hindi means 'land'. 'Zamindar' means a person who possesses land. But a person would not be a Zamindar if he has a couple of acres of land. A Zamindar is one who has thousands of acres of land. He would have many offices, employees, and machinery to collect rents from peasants and other paraphernalia. 'Zamindari' is a sort of government of a particular region. This is a more luxurious way of life than that of a landlord who has a hundred acres. ★

46. The beginning of the Capitalist system!

We have seen the slave-owning society.
We have also seen the feudal society.

Now, we are going to see 'the capitalist society'. Today, the whole world is part of this capitalist system!

[China, which disguises itself as 'socialism', is not really a socia-list country. It is also a capitalist country. Therefore, the entire world is capitalistic.]

Capitalism is a system in which production takes place solely for the purpose of sale. In this system, the person who gets commodi-ties produced will get profit (Productive profit). This system, which facilitates production of commodities solely for the sake of sale, was not present either during the days of slaves or feudal-tenant far-mers. The products of those days were meant for the consumption of the families of the Masters (slave-owners or landlords) and the labourers (slaves or tenant far-mers). They used to send only those products, whatever remained after their consumption, for sale. The merchants of those days used to buy commodities from either the slave masters or independent producers, then sell them to those needed and thereby make trade profit. The same thing had happened during the days of the landlords. During those days, the system of producing commodities for sale

and getting 'productive profit' had not yet begun. The same was beginning now gradually. Here onwards, we will see this.

In the past societies, there were no means of calculating the daily labour contributions of the slaves and the tenant farmers working for their masters. Further more, there was no way to determine the fruits of labour which they actually received daily for their sustenance. A larger part of the total mass of production did not go for sale. We also do not have estimates regarding the value of the mass of production. In those societies, prevailing conditions were such that they did not permit estimating the value of any component of the produce. Although exploitation was taking place in those societies, it was not possible for any intellectual of those times to understand it.

The following conditions were required to make it possible to understand the phenomenon of exploitation of labour: (1) Payment of wages, that too in the form of money, for those who work for their masters and (2) a large portion of the products produced for masters should go into sale. If these 2 conditions are met, a proper understanding of 'the value' is possible. Only when 'the value' is properly understood, understanding 'exploitation of labour' is also possible.

Gradually these 2 conditions have been established. However, even after this, it took a few hundreds of years to unravel the secret of 'exploitation of labour'.

Now, we must see what is meant by a 'capitalist'. Through this, we will understand what the capitalist society is. We should know how everyone is living in this society. We must also learn in what kind of relations we are living today. In 'essence', there exists no difference between the past societies and the present-day society. We will see the same phenomenon of exploitation of labour of past days again today. But, in greater detail and with supporting calculations.

There is a rich man called Chalapathy. Do you ask, "Where?" It could be anywhere. Aren't rich people there in all the countries? Chalapathy, however, exists in India, in the Telugu speaking state, in almost all the villages. This gentleman possesses a lot of money. The money was accumulated because his

ancestors — great grand fathers of his great grand fathers — amassed some of these riches being slave masters. [Don't be surprised that slavery existed in India too! In religious texts of India, there are references to several slave-like characters. A king sends a few horses and slaves as gifts to another king. The rich, while sending their married daughters to their in-laws' house, send female slaves as well. Such episodes are plentiful!

There are many instances where intellectuals had conducted research on the question, 'Did Slavery exist in India?' Some scholars argue that 'slavery existed in India too'. Some say, 'it did not exist'. Yet others say, 'It did exist but not similar to that which existed in other countries; it was slightly different'. Even in the present conditions which we know, we often hear stories of 'bonded labour'. Bonded labour means doing labour without any wage. However, the masters do not have the right to sell, buy or kill the bonded labourers. This is still seen in India.

No system exists in the same form everywhere. Some features differ. If we know the main features, we can identify the variations also. Whether or not slavery existed in India, rich people with heaps and heaps of money certainly existed in India.]

The great grandfathers of Chalapathy amassed a lot more riches. Furthermore, those ancestors also indulged in the trade of buying and selling of commodities. They lent out money and extracted interest. In this manner, since the times of his grandfathers and fathers there have been eleven iron trunks in the courtyard of Chalapathy's house. This Chalapathy is the great grandson who was born into such an affluent family. Therefore he has a lot of 'money'. It is his great desire to order the making of the twelfth iron trunk. The secretly embedded wish in his chest actually is to achieve prosperity to the one hundred twelfth iron trunk! In his childhood, while watching his great grandfathers, grandfathers and fathers, a desire cropped up, in his eleventh year, to surpass all his ancestors. Two years after the eleventh year, he started making queries regarding various kinds of business. At last, in his 23rd

year, he wanted to start the business of manufacturing coarse cloth. The cloth should be manufactured and sold. This manufacture, however, has been carried out by Independent handicraftsmen from times immemorial. The young man renamed the same business as an 'industry'. And he named himself an 'enterpreneur'. He does not know any labour.

Questions and Answers

1. Who is a 'capitalist'?

A. A person who gets articles produced by employing labourers for the sake of sale and who invests capital necessary for such produc-tion with the sole aim of getting profit.

2. What is 'industry'?

A. Industry means making others produce something for the sake of sale in order to get profit. The person who runs an industry is an Industria-list. A capitalist is an industrialist.

3. The slave-master and the landlords sell some portion of the produce which they get from their labourers, don't they? Why do you say that capitalist alone sells the products?

A. The produce which the slave masters and landlords sell would be much less in quantity. Whereas the industry of a capitalist is not like that. See the subsequent lessons.

4. Where did the capitalists come from?

A. Capitalists did not come from anywhere. They too are born within the country. Trading has been there since the days of slave-masters. Money lending has also been there. All this was there during the period of feudal lords. Accumulation of some money is possible through such business. The general traders, who buy products at one place and sell at another, gradually start industries whereby they could get products produced under their control. If one trader starts an industry, several other affluent persons would quickly tread the same path. It is a business in which people can easily multiply their money. Therefore capitalists are not those who had come from some other place. Traders of this place themselves will start the industry. Those who earn money through interest too could start industry.

5. What kind of labour does an industrialist do?

A. What labour does a slave master do? What labour does a landlord do? The industrialist too does the same kind of labour. ★

47. Profit: The sole aim of Capital

The industrialist of the coarse cloth industry is adept at no labor. He had a little education. He is skillful at calculations. In his childhood, he had a *coughing great grandfather* at home. Between smoking cigars, coughing and blowing his nose by the side of the cot, his great grandfather used to sermonize every single day: "It is not appropriate for our status to do menial work! It is shameful. The laborers must do all the work." Those words appealed to the great grandson like great sermons. Even to this day those words resound in his ears. Chalapathy, who does not know any labour, became an industrialist!

He estimated the costs required for the coarse cloth industry. It turned out that one 100 Rupees were needed per day. There were several such 100s in the iron trunk box. He pulled out one 100 from the box. He purchased some yarn. It was the raw material. He bought looms, baskets and bins. They were the tools. He bought a few more things. They were auxiliary materials. He also arranged a shed for the work place. The work place belongs to the family. Work is not possible without a work place, isn't it? The work place too therefore is a tool. The cover term for all these diverse items required for producing is: 'means of production'. These are all 'the means' for the producing articles.

The work place has to be on land, right? Therefore, some land is also necessary. Land too is therefore a means of production. Not only for agriculture, but for any 'industry' or any 'trade', a piece of land is required. However, since the land is not made of labor, it contains no 'value'. A building or a shed located on earth possesses value. Land is the only means available naturally. All others are means made of labor.

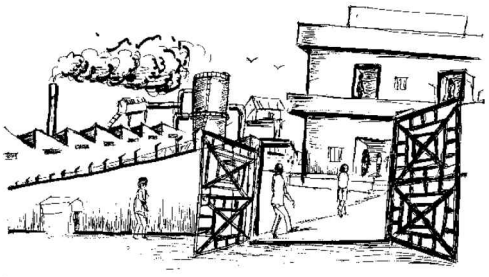
In Chalapthy's industry, all the means collectively required Rupees 80. This is the estimate of the means needed for a single day.

What else was needed? Men who knew how to make cloth were needed. It turned out that 10 such people were needed.

The industrialist hired them.

[Who were those men? And how did he get them? We will look into these issues later.]

The system of paying wages to workers began with such industrialists. Here, the wage per person per day was 2 Rupees. The 10 people needed for Chalapathy would cost 20 Rupees. These are the costs for a single day.



One fine morning, the people arrived at the work place and started working at their respective places. By the night fall, they worked for 12 hours and completed a day's work. All the yarn got transformed into cloth and got deposited on the table delightfully.

All the while, the industrialist managed his industry seated in cushioned chairs, in his own room, reading business headlines in the newspapers, consuming light refreshments and soft drinks and taking occasional naps.

Eventually, upon learning that the cloth was ready, he arrived there majestically. He handed out 20 Rupees to the workers and said "Is this okay? Come tomorrow again!" The workers left the work place tired and disappointed.

Those who work on the basis of 'money-wage' are workers.

[Slaves, tenant farmers, workers — all of them are Labourers. But, due to the differences in the labels, we would know who were the labourers in a given society.]

Chalapathy, standing by the new product (new cloth) recalculated his expenses to produce the cloth:

For the means of production : 80
Towards the wages of workers: 20
Total: 100

There is a cover term for both of these expenses, 'capital'. One who invests capital is the

capitalist. Which means, Chalapathy is a capitalist. An industrialist. He is not the previous slave master. Nor the land lord.

Now, what will Chalapathy do with the coarse cloth? Will he use it in his household? That cloth is not intended for his household use. It is meant only for sale. Who will buy it? Those who want that cloth will buy it. The other capitalists and the workers as well.

At what price will Chalapathy sell the cloth? He spent 100 Rupees for it, didn't he? Will he, then, sell it only for 100 Rupees? In that case, he will get back only what he spent. Did he establish the industry to spend 100 Rupees and get back the same amount? Then, why take all that trouble to establish the industry? He could as well keep those 100 Rupees to himself, couldn't he?

No, it won't work that way. Running an industry is not just to recover what was originally spent. The investment would have to be recovered somehow. But, that is not enough. 'More' must be recovered than what was invested. How much 'more'? He would certainly love if he gets much 'more', but he wouldn't know how much he has to get and how much he gets. For a while he contemplated the market matters. A few other industrialists like him too were making coarse cloth of the same type. And selling the cloth. He has seen at what price they were selling the cloth. Should he not also sell the same way? If sold at a higher price, why would the buyers buy the cloth from him? They will go to a place where the cloth is available at a lower price. Therefore, he cannot sell the cloth at a price higher than that of the other industrialists. He must sell at the same price. Slightly lower price is even better. All would come to him to buy the cloth. So thought Chalapathy solemnly and determined the price of his cloth to be 120 Rupees. It means he added 20 rupees over and above the 100 that he spent.

That evening he summoned a merchant. "Oh, merchant! Sell this cloth! Sell it for a price of 120! If it is not sold at that price, you may reduce the price a bit. But, try to sell it for 120! Whatever may be the earning, first bring it to me! Then I will give you whatever is appropriate," he said.

The merchant carried the

cloth away the same evening. And he sold it off the next day. For 120 rupees. He remitted that money to the industrialist. Immediately, Chalapathy took out 5 rupees from the 120 and offered it to the merchant. "Here is your 'merchant commission'," he said. All these are calculations for a single day.

Questions and Answers

1. What are 'means of production'?

A. All those means necessary to carry on production are the means of production. (1) Raw materials. (2) Tools. (3) Auxiliary materials — all these 3 types of means are means of production. In some kinds of labour, there won't be raw materials. The remaining two factors will be means of production there.

2. Is land a means of production or not?

A. Any production has to be carried out on the land. Agriculture on the land, industries also on the land. Therefore, land is also a means of production for any production.

3. Land is not made of labour, isn't it? Will it be property?

A. No. But it is a means of production. Without it, no work is possible. Hence, if it is available, it amounts to the availability of means of production. It is nobody's pri-vate property. One has to use it with one's own labour. That's all.

4. To which category of means of production does land belong: raw material, tool or auxiliary material?

A. Land does not appear in the body of the new product. Hence, it is not a raw material. Land won't disappear after the completion of production. Hence, it is not auxiliary material. What remains is tool. Hence, land is always a tool.

5. Land is responsible for ____. Land is not responsible for _____. Explain.

A. To produce any thing and to do any work, land is also responsible. But land is not responsible for the labour necessary to produce something. Therefore, land is not responsible for the 'value' of any product.

6. What is 'process of production'? What is 'labour process'?

A. The whole process that involves making of a new product is process of production. The process of doing labour is labour process. While making inanimate things like shirts and chairs, it means the same whether we call it 'production process' or 'labour process'. But in the case of agricultural products,

these two are not the same. The entire period beginning from tilling the land to harvesting is production process. This is the period during which production increases. But labour does not take place during this period. Labour takes place occasionally during that period. The period during which labour is done is labour time. But in many industries, production time and labour time are the same.

7. What is 'capital'?

A. Capital is that which is spent on (1) means of production and (2) the wages of the workers. (There are many secrets in this about which we will see in the subsequent lessons.)

8. Running an industry — what does the capitalist do?

A. First, he would chalk out a plan for his industry. It means he thinks about where to buy the means of production cheap, how to hire workers for low wages, how to sell the finished goods at higher prices. All the while he dreams of the final profit which he would get. This is what is meant by running an industry.

9. Does an industrialist himself undertake selling of his products or asks others to do that job for him?

A. He does it as per his wish.

10. Workers may buy the coarse cloth which a capitalist sells, but why do other capitalists buy?

A. The other capitalists may, by using the coarse cloth, get products necessary for hospitals and certain kinds of offices. The other capitalists may also buy it for their industries which use coarse cloth as a raw material. ★

48. Old Labour + New Labour = Total Labour

Value of means of production + Value of labour of workers = Value of commodity

We must pause here for a while and discuss the price of the cloth. The capitalist spent only 100 Rupees for the cloth, didn't he? How did he get 120 Rupees when he sold the cloth? Where did that amount come from? Actually, what was the value of the cloth, 100 or 120? How a thing made of 100 could have a value greater than 100? But, if the value was only 100, then he cannot get 120 for it, can he? He could get 120 money, only if the value was 120. In the earlier lessons we have seen

that an exchange is possible between two things, only when the values of the two things is equal. Isn't it the Law of value? Therefore, if 120 is earned by selling the cloth, then the value of the cloth must be really 120! For this reason, an exchange took place between the cloth and 120 Rupees!

However, we face the same earlier question once again. The industrialist spent only a value of 100 Rupees for the cloth. How a piece of cloth made of a certain cost could acquire higher value?

The capitalist invested only one hundred. But, it was not only 100 that was spent on the cloth *in reality*. An additional 20 was also spent.

[The capitalist also doesn't know this. The workers, anyway, don't.]

How did a value of 20 add to the cloth without the capitalist spending that on anything? To understand how this 'miracle' had happened, we should reexamine the items that have come to the work place.

Items at the work place:

1) Means of production. Their value is 80.
2) Workers. Their wages are 20.

Only these two components made the cloth. No other component came to the work place. Therefore, one of these 2 components must have yielded an additional value of 20, over and above its value, to the cloth. Or alternatively, each of the two components may have contributed the additional value partly. Isn't it? If no item yields extra value, how will the additional value be generated? We must therefore examine these two components once again.

The first component: All the means of production are inanimate objects. They were already produced elsewhere even before arriving at this work place. All of them were made of labor. All that was the old/past labor. The value of that past labor is 80. Labourers at other work places made those things. The workers who make the cloth here have nothing to do with the past labour. These workers did not do that old labour. The means of production of 80 value were made elsewhere and arrived at the work place where cloth is made. Here they are spent on making of the cloth. That value of 80 was 'transferred' to the cloth. 'Transfer' means those things are spent here. Therefore, their labor is also included in the present calculation. That labor will not take place afresh here once

again. When a thing is spent for some work, its actual value, whatever it may be, would be accounted for that work. Similarly, when some means of production (some articles) of 80 value have been expended, only that 80 would be accounted for. Nothing more or nothing less than that. This means that means of production cannot yield more value than their original value. That means, the addition of 20 value into the new cloth did not come from the means of production! The first component is resolved. What remains now is the second component. The fact that the first component did not yield more value implies that the second component yielded, isn't it? However, we must see how it happened.

The second component: 10 labourers have done all kinds of labour related to making of the cloth. They worked for 12 hours. The total work time of all the workers is 10 x 12 = 120 hours. This is the labor of weaving. Concrete labor. Since this labor is done at the work place, it is the new labor. Living Labor. (Once making the cloth is finished, this labor would become old labor). It is quite simple to count the hours of the new labor. It is quite clear that the labor of the 10 workers is 120 hours. This new labor, however, must turn into 'value'.

The 'old labor' has already turned into value. When the means of production were bought for a money of 80, that labor has already turned into value. Likewise, the new labor too must turn into value. However, the original value of the new labor does not appear in the work place where the labor is done. We have to find out the value of the new labour through certain calculations after the commodity is sold.

We have seen in the previous lessons that the value of production is that of the total labor spent on its making. How much money was earned by selling the cloth made at Chalapathy's place? 120 was earned. That much money was earned because the cloth contained that much value. How do we know the proportion of the value of the new labour present in the 120 value?

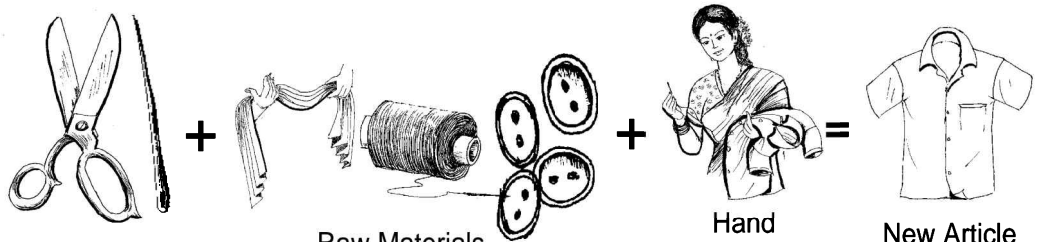
This is how we get to know: isn't the total labour of a commodity the combination of old and new labor? Therefore, by subtracting the old labor from the total labour we can find the new labor. Subtract old labor from the value of the cloth! You will get the value of the new labor.

Value of the cloth - 120 Rupees
Value of the old labor - 80 Rupees
Value of the new labor - 40 Rupees

That means the value of the labor of the workers who made the cloth is 40! If the value of their labor should belong to them, the 40 should go to them. But, in the name of wages, they received only 20. Not the other 20.

Since the workers received only 20, will it be the value of their labor? – No. Whatever the wage the owner gives to the workers, it can not be the value of their labor. Let us suppose that the owner evaded paying any wages to the workers altogether and that the workers did not receive anything in return at all. If nothing is paid, would it mean that the workers did not work at all or that the cloth was made without any labor at all? It won't be so, will it be? Therefore, we should not understand the value of the labor of the workers in terms of what they receive in the name of wages. If we subtract the old labour from the value of a thing when it is sold, what remains is the portion of the value of the new labor. This is the way we must calculate. When we subtracted 80 from the value of the cloth of 120, 40 remained. This is the value of the new labor. In the example of the cloth, if the value of the labor of the workers was not 40 (if the value of the new labor was not 40), the value of the cloth wouldn't have been 120. In this example, the value of the new labor, therefore, is 40. Not 20. The wages which the workers receive is not the value of their labor. This means, paying wages to workers does not amount to giving the value of their labor to them.

The shirt is made. Let us remind ourselves the old and the new labour invested in the shirt.



Instruments
Old Labour

Raw Materials
Old Labour

Hand
stitching
New Labour

New Article
New
Production

[There are many questions in this lesson. See them as a separate lesson]

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49. Some aspects conserning 'price'

[This lesson is in the form of Questions and Answers]

1. What is that 'money' which a capitalist gets when he sells a commodity?

A. Whether the capitalist gets a commodity or money when he sold his commodity, it is the value of the sold commodity.

2. When a commodity is made by expending some amount of capital, will that expenditure be the value of that commodity or will its value be more than the expenditure?

A. The value of a commodity will invariably be more than the expenditure of the capital. But, the value of the product will not be more than the value of the total labour spent for that commodity.

3. How does a capitalist fix the 'price' of his commodity?

A. First he adds all the expenses that he incurred. In those expenses, he includes not only the costs of means of production and wages paid to the labourers but also certain other items in the name of 'rent' and 'interest'. Then he adds 'profit' due to him and fixes a sum total as 'price'.

4. Is it correct or not to fix 'price' in that manner?

A. It is the capitalist who fixes price and it is right in his view.

5. There were Independent producers in the slave-owning society much before the Industrial capitalists began to emerge, weren't they? They too used to sell their commodities. How did they fix the prices of those commodities?

A. In the beginning, Independent producers were people belonging to different tribes. We have to imagine that they undertook exchanges by means of barter system for a very long period of time. Actually, the practice of fixing prices began through the traders of the slavery period. It is not possible to measure the 'value' as precisely as they weigh the 'weight'. It is not enough for a trader to get back his expenses when he sold

the goods. He has to get a 'little more' than what he originally spent. Therefore, traders invented the method of fixing prices by adding 'some profit'. Independent producers would follow the method of traders if they exchange their products with money occasionally alongside exchanges made by means of barter system. That is the method of combining costs + profit. When we say 'costs', they also include the costs of maintenance of Independent producers. The portion of 'profit' is their 'surplus labour'. They get the value of their labour from that price. Whether it is traders or Independent producers of the slave-owning society or present day capitalists — the method of fixing price is the same. Costs+ Profit.

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6. Let us not consider the question who fixes the prices: whether the capitalist or Independent producer. What in actuality is the correct method of fixing the price of products?

A. To produce any article only 2 entities are spent. (1) Means of Production. (2) Living Labour. The sum total of these two costs is the correct price. We have to imagine how the price was fixed during the time of slave masters. The slave-master gives the trader some of the products, out of those which his slaves produced, for the sake of sale. How does the slave-master or trader know that some surplus labour is present in those products? No. They do not know. It is not because of their awareness that they fix the price. They merely think that they should get back their expenses plus something extra. Such a method appears to them as correct pricing. In fact, the price of the products which the master fixes by adding something more to the costs, is the proper price since that price invariably includes 'surplus value'. But they do all this not because they are aware of the surplus value. In fact exchanges with money and monetary pricing were far less during that time. Most of them were barter exchanges. The question of fixing the correct price does not arise in the barter system.

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7. Surplus value is present in the value of a commodity! Surplus value is NOT present in the value of the commodity! What do these statements mean?

A. To say that surplus value is present means some portion of the

labour of a person has gone out in the form of interest, profit etc. This is inevitable in the Master-Labourer relationship. To say that surplus value is NOT present means that there are occasions on which Independent producer gets back his entire labour, or he too may have to pay interest, merchant commission etc. to others.

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8. An article is made. It is a shirt. Will the value of that article is more if the living labour includes surplus labour and is less if the living labour does not include surplus labour?

A. If one gets such a doubt, it means he has not yet properly understood the concept of value. Let us consider the example of a shirt. The total labour necessary to make a shirt will be its value. Let us suppose it to be 120. Old labour 80 + New labour 40. Only if these two elements are proportionate, such a shirt would be made. Even if one element is less, the shirt won't be made. Whether that 120 value includes surplus value or not is a different issue. The manual labour of the labourers who made that shirt was 40, isn't it? If he gets the entire value, what would be the value of the shirt? Or if he gets only 20 out of that 40 and does not get the other 20, what would be the value of the shirt? There would be no change in the value of the shirt irrespective of whether or not the person who made the shirt got the entire value of his labour. Even if the person who made the shirt did not get some portion of the value, (or received nothing) the value of the shirt would be 120 only since so much labour was spent on that shirt. The value of an article will not be more if the surplus value is present and will not be less if the surplus value is not present. The value of an article depends on the labour spent on its making. Whether or not the worker received the entire value which he rendered is a different question.

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9. Means of production of 10 value and living labour of 20 value were spent on one meter of cloth. Half of the living labour is surplus labour. What would be the price of that cloth if the manual labour does not contain surplus labour?

A. Price that includes the surplus labour = means of production 10 + the first part of the manual labour 10 + the portion of surplus labour 10 = 30. This is the price of one meter of cloth. Price of

the same product which does not contain surplus labour: If the surplus labour of 10 has not taken place, half of the means of production are not spent. Then their cost would be 5 only. Then the price = 5 of means of production + 10 of living labour = 15. This is the price of half meter cloth. The quantity of the product which costs 30 will not be made with a cost of 15. Only half of it is produced. If surplus labour does not take place, the quantity of the product decreases.

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10. The capitalist fixed 120 as the price of his product. When sold, the capitalist got money in accordance with the price 120. It was sold at its value. This means the capitalist has fixed the price of his product properly, isn't it? What was his fault?

A. The fault does not lie in fixing the price. The entire fault lies in the details that he gives. He says, "I paid so much towards interest. Paid so much towards rent. I added so much profit. All these are expenses spent on the production. All things taken together constitute this price". All those items which he mentioned as 'expenses' are not connected with the production. The basis for fixing 120 as price is not addition of all those items. Not understanding this point is the fault of the capitalist.

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11. If the capitalist had really paid rent and interest to outsiders?

A. Even if he had paid so, they are not expenses connected with the production. In case he does not pay that rent and interest to outsiders, would he fix the price low? No he won't do so. His price must include rent and interest. He would retain those portions with him with the same names. This means those items were not really spent. Similarly, if he pays them to outsiders, the outsiders will consume those incomes but they cannot be considered as costs of production. Likewise, the so called 'profit' is also not an expense spent on production.

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12. The value of a commodity is 120. Past labour is 80. After selling the commodity and subtracting 80 from 120, it became clear that the value of the new labour is 40. But this became clear only after selling the commodity, isn't there a way to find out the fact that 'the value of the labour of the labourers is 40' before the commodity is sold?

A. There is a way. We have to find it out based on the past

experiences. Industrialists always produce and sell the same kind of products. It is possible to know the value of 1 hour of weaving labour based on the cloth sold the day before. We can know the value of labour even if the cloth produced on that particular day is not yet sold. Suppose 40 remained after subtracting the value of means of production from the value of the new cloth which was sold the day before. Two persons have made the shirt in 10 hours. Value of 1 person is 20. Value of 1 hour of labour is 2. One can understand all this because of past experiences. However, this is also something one can know because of the sale of products produced the previous day, isn't it? Based on several such experiences and correct calculations, one can know the value of any kind of labour. Well, one would know it only due to the sale of products in the past, not otherwise. How can we know it if the sale, that is exchange, has not taken place? Sale means exchange. We will be able to know the value of any labour, only if exchange takes place.

13. Price of 1 meter of cloth is 30. Out of 30, value of means of production is 10 + value of manual labour is 20. Explain this commodity in terms of (1) capitalist commodity. (2) Commodity of the Independent producer.

A. Capitalistic commodity:

Cost of means of production 10 + wage 10 + surplus value 10 = 30. Value of the old labour and value of new labour together make the value (price) of the commodity. That is 30. But as this is a capitalistic commodity, we have to consider some amount of surplus value. We have considered 10 as surplus value in the new labour of 20. The capitalist does not pay this to the workers. Whether he pays surplus value or not, the value of that product would be 30.

The price of the commodity of the Independent Producer:

This person has also produced the same kind of cloth. He incurred the same amount of expenses. 10 for means of production + 20 for manual labour = 30. If 10 goes to his maintenance, the remaining amount would be his surplus value. But as this person is an Independent labourer, it is not obligatory that his maintenance cost should be only 10 like that of a worker. This person, who does labour of 20 daily, could use more than

10 for his maintenance. Let us suppose he uses 15 for his maintenance. If he does a labour of 20 and consumes 15 for his maintenance, his surplus value would be only 5. His surplus value would not be 10 as it would be in the case of a worker. The actual details of his commodity would be as follows: Means of Production 10 + Necessary Labour 15 + Surplus Labour 5 = 30. If this person uses whole of 20 for his maintenance, there won't be 'surplus value' at all on that day. Even if he does not use his entire labour on the same day, he would use at some other time. Therefore, the quesion of 'surplus value' does not arise if people get their entire labour.

To produce the same kind of cloth in the same quantity, one would have to spend 30. Even an Independent producer would have to spend 30. Only aspects of manual labour would vary a little. Let us see the example of the Independent producer in a different way. During the period of production, his maintenance cost is not 15 but 20. He consumed 20 for his maintenance and did 20 labour again. Then, the details of that production would be: means of production 10 + Necessary Labour 20 + Surplus Labour NIL = 30. He spent 20 on his maintenance and reproduced the same 20. He did not do surplus labour. Even if there was no surplus labour, a product of 30 value has been produced.

Another example. Suppose the same producer, while using 20 for his maintenance, has done surplus labour of 4 value. Then, how much value would the product have?

When the old labour was 10 and new labour 20, the value of the commodity was 30. In such a situation, 4 surplus labour was done. Will, then, the value be 30 + 4=34? No. If the surplus labour has increased, means of production too should increase. Since 10 means of production are necessary in order to do 20 manual labour, there ought to be an increase of 2 means of production in order to do 4 surplus labour. Then the value of that commodity would be as follows: cost of means of production 12 + labour of maintenance of the producer 20 + surplus labour 4 = 36. It means this person, while using 20 on his maintenance, did a labour of 24 at the same time. While 1 meter of cloth was made with 30 value in the other example, now cloth measuring

more than one meter would be produced with an expenditure of 36. But the price of a meter cloth is 30 even now. Some more cloth will be made with the remaining 6. A capitalist commodity would invariably contain surplus labour. Whether or not surplus labour is present in the case of the commodity of the Independent producer depends on how much he uses for his maintenance and how much labour he performs again. If the maintenance of the independent producer is similar to that of the workers, his commodity also includes surplus value. The price of a commodity, whether that of a capitalist or an Independent producer, depends on the expense of the total labour spent on that commodity.

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14. The price of a commodity is 30. But a capitalist sold it for 25 as he was unable to sell at 30. Will the price of that commodity be 30 or only 25?

A. If such a change in the price occurred among all capitalists in a given branch of production, it means the actual price has gone down. Or if it has happened so in the case of a single capitalist, the price might have gone down since many people were not there to buy it at that particular capitalist. Even then the price of that commodity is 30. But it implies that those who bought it for 25 have got it cheap.

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15. The value of the labour of a worker is 40. The wage which the capitalist paid to the worker is 20. How could it be an exchange of equal values? Any exchange ought to take place between equal values, right? It is the law of value, isn't it?

A. Exchanges between equal values take place among Independent producers only. If both the persons are independent producers, exchanges take place between them. Those exchanges will be between equal values. But there won't be an 'exchange' at all where there are master-labourer relations. It is the master who grabs from the labourer and he has nothing to give back to the labourer in the form of labour. Where there is no exchange, the question of 'equal values' does not arise. What happens in the master-labourer relationships is not an exchange but exploitation of labour.

[We need to see more about 'Price' in other lessons.]★

50. How does ‘Surplus Labour’ take place?

Capital investment for the cloth was 100. But, the value of the cloth was 120. We can now understand easily how this has happened. The total value comprised of 80 through the means of production and of 40 through the labor of the workers. These two components being as such, the total value became 120. Since the cloth possessed that much value, it earned that much money.

The capital investment 100 has come back. Over and above, 20 were earned additionally. The capitalist did not invest anything for the additional 20. He got it without an investment!

If the capitalist pays money to the workers daily or weekly, it is wages. If paid once in a month, it is ‘salary’. Both mean the same thing. They are merely different terms. Hereafter we will use the word ‘wages’. People who work for wages should be called ‘workers’. It is not erroneous to call them ‘labourers’. These are not ‘slaves’ or ‘serfs’ (= ‘feudal peasants’, ‘tenant farmers’).

What do workers do with their money or ‘wages’? They buy necessities of daily life for their maintenance (from different capitalists). Food, clothing, housing, medicines — all must come through the ‘wages’. The labour power will be sustained when the maintenance is provided daily. This means, ‘wage’ is the minimum value required to sustain the labour power. That is the ‘value of the labour power’. Without this, it is not possible for the labouring person to live.

Work which workers do at the work place is ‘labor’. It will have some ‘value’. The ‘value of the labour power’ which the workers receive invariably will be smaller than the ‘value of labor’.

In the example of the cloth:

Value of the labour power = Wages 20

Value of the labor = Wages 20 + Surplus value 20 = 40

10 workers worked for the cloth. Each worked for 12 hours.

The value of the labor of each worker is... 4.
His wage is... 2.
His surplus value is... 2.

The wages of 10 workers are... 20.
The surplus value of 10 workers is... 20.
Value of labour of 10 workers is... 40.

Each of them lost half of the value of labor. This is what happens in a day or a in a month!

'Wages' appear to be 'some quantity of money.' However, the real meaning of wages is some provisions of sustenance. Wages are as many provisions as purchased with the 'wage money'.

A question: A 'thing' does not give more value than its own, does it? When means of production are spent to carry on a work, they do not yield more value than their own. What exist in the name of the 'wages' are also articles, aren't they? How can they yield more value than their own?

The answer: The means of subsistence are also things. However, these are not the ones that arrive at the work place. It is the workers who come and work at the work place. They perform new labour at the work place. They do more labour than the labour necessary for their means of subsistence. Whereas the means of production do not work like human beings even if they come to the work place. The means of production are consumed while the workers do labour with them. Since they are things, they yield only as much value as they originally possess. Not more. As workers are human beings, it is a different matter with them.

In the example of the cloth, the workers worked in the labor of weaving. In this labor of weaving, they took 6 hours as wages. The value of the 6 hours is 2 Rupees. The value of the means of subsistence which a worker uses in a day is 2. The total time required for the production of all the means of subsistence is 6 hours. (It means that the different kinds of labour required to make these means of subsistence are equivalent to 6 hours of weaving labor). This means, a worker who consumes the substances made of 6 hours of labor, worked with his body for 12 hours at the work place of the owner.

A point to note: The

quantum of labor (size of the labour) which human beings perform is not commensurate with the quantum of labor which they consume for their maintenance.

Two conditions apply for performing labor.

1) The situation of Independent labourers who don't have an owner: If the labor consumed per day for sustenance is 8 hours, the labor which a person does must be 8 hours. In that event, the daily sustenance remains at the same level. If the labor performed slightly exceeds that of the sustenance, that additional component will accumulate into a saving. If the work performed falls short of the sustenance cost, maintenance will be reduced. Even independent producers must perform labor equivalent to their sustenance.

2) The situation of workers who have an owner is as follows: The labor which these workers perform must invariably be larger than the costs of their maintenance. If both of them are equivalent, nothing will remain for the capitalist after accounting for sustenance. It is not enough if the labor performed in excess of the sustenance is just a little more. It should be very large. It is because the 'surplus labor' should be distributed under numerous heads. A lot many people who do not do labour have to live on the surplus labor. All the departments in the State machinery like police and military must be maintained with the surplus labor. Every worker therefore must give the surplus labor in large quantity. This worker, at the work place, can toil for 12 hours with the means of subsistence of 2 hours labor. With the energy of a glass of porridge, he can work all the day.

While the bodies of the workers thus perform labour, the bodies of the masters do the contrary. The body of the master can spend a labor of 100 hours for the maintenance without doing even an iota of work.

When a 'thing' is consumed in a given work, it can add only as much of labor as is spent in its making. Neither more nor less than that. A human body, however, is not like that. It is not an 'inanimate object'. It can yield more labor or less labour than the quantity it consumed for its maintenance. Or it may not yield labour at all.

To buy a means of production (a thing), one must pay in Toto as much of old labor as is spent on its own making (the amount of labor gone into its making). If the value of the labor is 4, then the 4 must be paid in toto. One cannot get that thing by paying a lesser amount. That means of production cannot be made again with a lesser amount. However, to buy (engage) a worker, one need not pay the total amount of living labour that his body can yield. It is enough to pay the minimum amount required for the minimum sustenance of the body. Yet, these people will be available again and perform labour again, They will remain alive with that minimal subsistence, but as paupers and destitutes.

In the example of the cloth, the workers did 12 hours of labour in a day but received only 6 hours of labor as wages. Not the remaining 6 hours of labor. The labor they did not receive is the surplus labour. The value of surplus labour is surplus value. It is surplus production. That is the surplus money. It will go to the capitalist.

What happens with one capitalist happens with every capitalist.

Working class – the class that performs labor!

Capitalist class – the class that exploits labor!

All this is again the past history! What had happened with the previous masters will happen literally in the same manner here all over again. This is literally 'exploiting the labor'. Here too, it is the working class which maintains the class of owners. Here too – hostile classes! Here too penury and riches! Here also, the same thing happens which happened in the distant past.

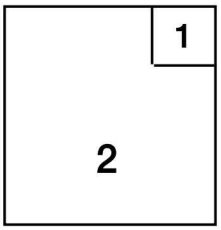
Questions and Answers

1. What is the difference between an inanimate thing and a human body in giving labour?

A. A thing does not do labour. A human body does labour on its own. When we use a thing in the labour process, it yields only that much labour which went into the making of that thing. But the same is not the case with the human body. There is no connection between the size of the labour which the body consumes for its maintenance and the size of the labour which that body can perform. The latter could be more,

less or nothing than the former. It depends on various kinds of relations.

2. Show the surplus value of a worker.



A. The whole box represents the labour of workers performed in a day.
1) Maintenance of workers in a day.
2) Surplus labour of labourers in a day.

3. Is there any natural law regarding the amount of time a human being should perform labour?

A. A human being must do as much labour as is necessary to get all the items involved in the maintenance of that person. As a human being cannot do work during the rest period and ill-health, the work needed for those periods too must take place during the working days. But in the master-labourer relationship, this rule does not apply. The person who does labour must perform not only labour necessary for his maintenance but also for the sake of his master. He must do enough labour that can satisfy the maintenance and the luxuries of his master. This is the rule that is present in the Master-labourer relation.

4. All the members in the family of Independent labourers do labour throughout the day. 8 hours of labour is necessary to cover all the aspects of the maintenance of an individual member. But a son in that household does labour not more than 5 hours. How will his maintenance be taken care of?

A. Partially through his labour and partially through the labour of other members of the family.

5. Slaves, feudal peasants and workers — what are the similarities and differences among these people?

A. *Similarities*: All are labourers. All are producers. All are servants under their masters. All of them do not have means of production. All are subjected to exploitation of labour. All are poor.

Differences: Slaves—do not have rights over their life.

Feudal-tenant peasants—although do not have right over the land, possess some land.

Workers—they receive the maintenance in the form of wages. ★

51. Who will consume the 'surplus value'?

A surplus value of 20 was obtained in the example of the cloth, wasn't it? What does the capitalist do with it?

He will distribute it in the following manner:

These are calculations of a single day.

(1) For Merchant's Commission — 5: This will go into the hands of the merchant who got the cloth sold. But a portion of this amount will be spent on 'trade-related tasks'. What remains after that is, Merchant's profit or Commercial profit or Trade profit. This profit is the portion gained without performing labor. However, one must know many details. A person who functions as a 'merchant' (trader) could be a merchant who might perform the trade tasks himself. Or he may be a merchant capitalist or a commercial capitalist who might get these tasks done by workers. Whichever category the merchant may belong to, the entire Merchant's commission is part of the surplus value related to the commodity which the merchant sells. This could be understood only after learning a lot more details.

(2) For 'the interest' — 1: If the capital was a borrowed amount, the interest would go to outsiders. If the capital was not a borrowed amount, then the capitalist himself would claim the interest. In the account book he would write as if he lent his money to himself. He would also write that an interest was paid to himself. Interest is the money earned without performing labor.

(3) Land rent — 1: This is not regarding the shed that serves as the work place. That shed will be counted among 'the means of production' which are made of labour. This is not regarding the shed. This is regarding the land beneath the shed. Even if the land belongs to the capitalist, he would pay a rent to himself for that land. He would also write in his book that the rent was paid. This amount would remain with the capitalist only. Rent is the money earned without

performing labor.

(4) Taxes paid to the government — 2: The State of the capitalists too is the continuation of the past States. Here too the property rights of the propertied classes remain as before. Landlords could be the owners of the land. They could earn 'land rent'. Likewise, all of the capitalists could be the owners of the means of production. They could earn 'profit' and 'interest' through those means of production. All the Laws of this State support these sorts of income. They protect these property rights from the possible revolts from the workers. This State too, therefore, is like the States in the past. However, there may not be a 'king' sitting on the throne. (In the greatest capitalist country of England, even today there are princes and queens adorning the throne). Although there is no 'king' here, there are others bearing designations like presidents, governors and prime ministers greater than the king himself. They all own large properties themselves. They therefore represent all other property owners in the country.

In this State, a new term called 'democracy' comes into being. Outwardly, this democracy appears as if it is applicable to the entire population. But, this democracy is useful only for the property owners. In order to uphold the Laws of the State, huge police force and numerous courts and prisons will be required to suppress the working class. All the property owners must pay taxes to the government to meet such expenses. Where will they get that money from? Landlords will pay the taxes from their land rent. Capitalists will pay the taxes from the surplus value earned through the commodities produced at their places.

This State is not a necessity for the workers. It is a necessity for the propertied class. However, the propertied classes who should pay taxes, evade a larger proportion of the taxes by manipulating accounts. Evaded portions of the taxes will remain with the evaders instead of going to the government.

Intellectual Labourers too must pay taxes to the government from their income. This kind of income exists in the form of salary with definite calculations. They therefore will not

have a chance to fudge their accounts.

(5) Un-productive expenses and bribes — 1: (We shall see these points in other lessons.).

(6) The wage of the capitalist? If the capitalist performs some kind of labour in the production of his commodity, he may take wages commensurate with the amount of the labor. He may also take the surplus value. Taking salary after performing labour is not unfair. However, a capitalist tends to do a little bit of work along with the other workers only when he himself is a small scale investor. A big capitalist does not perform any kind of labor. He does not perform even the labour of organizing the labour process. Intellectual labourers would do that work for him. Without performing any kind of labor, the capitalist claims a fat salary. He decides his own salary. Salary taken without performing labor, regardless of whether it is large or small, is taken out of the surplus value of the workers. (We are not giving the figure of the capitalist's salary here).

(7) Industrial profit — 10: This is the last portion left for the capitalist for his investment towards setting up the industry. If the capitalist possesses own land and own capital, then the land rent, interest, fat salaries, industrial profit — all will fall into his own enormous bag.

The surplus value of the workers 20 in the cloth example will be distributed under so many names and in so many ways.

The same thing happens in the case of every commodity. The same thing happens in the case of the entire mass of commodities.

To understand that the land rent, interest and profit are the division of the surplus value of the workers in a simpler way, let us look at this in a different way. As an example for all types of divisions of the surplus value, let us consider 'the interest' as an example. The same thing applies to all others. We must examine whether or not the interest is essential for the production of a thing. We must also consider some means of production. Let us take the 'loom'. We must understand the difference between the loom and interest.

The loom is a means of production in weaving labor. It is part and parcel of the means of production. It must be present at

the work place. Let us suppose that the value of the loom is 6. That value will add to the cloth. (Similarly the value of other means of production also adds to the cloth.)

The components of the value of the cloth:

Means of Production	A value of 80
Wages	A value of 20
Surplus value	A value of 20
Total	A value of 120

The cloth was sold. A money of 120 earned. The value of the loom has to come back from the value of the cloth. From which component will the loom come? Since the loom value is an integral part of the 'means of production', it will come back from there. The value of any raw material or any tool will add to the cloth and come back from there.

Does the same thing happen in the case of interest as it happens in the case of means of production?

Take 'the interest' for example. The capitalist must pay 1 as interest on the capital. He has to take out that 1 from the value of the commodity. Has the interest of 1 been integral part of the commodity? If so which part? From which component should it be recovered? Should it be recovered from the 80 of the means of production? It is not possible to do so.

Interest is not a means of production. It did not come to the work place. It was not expended for the new cloth. Therefore, it is not possible to take out 1 from 80 of the means of production and pay for the interest.

Then, should it be taken out from the 20 of wages? That too is not possible. Unlike the worker, interest cannot come to the work place and offer its labour. It is therefore not a component of the wages either.

Well then, how to pay the interest? How else? In the commodity, there is a component called 'surplus value', isn't it? This is the value appropriated from the workers without paying them anything. It is possible to pay the interest only from this value.

In the case of means of production, it is spent on producing the commodity. When that commodity is sold, that cost (of means of production) will come back in the form of money. But it is not the same in the case of interest. It is not spent on the production of commodity. Yet it has to be paid from the commo-

dity. The capitalist has to take out some expense which was not spent on commodity from the value of the commodity! From which portion of the value of the commodity should he take it out? From the portion of the surplus value.

It is the same thing with 'the land rent'.

It is the same thing with 'the profit'.

Any component which is neither 'the means of production,' nor the means of subsistence of the workers, originates from exploiting the labor. Land rent, interest and profit are types of income obtained by exploiting workers' labour.

Questions and Answers

1. Is it correct to consider the taxes paid to the government as part of the surplus value of the labourers? The government runs free public hospitals where workers also receive medical treatment. The government runs free schools where the children of the workers study. Workers also walk along the roads which the government lays. Then what is wrong if some portion of the workers' labour go to the government as taxes?

A. The entire value that goes to the government is nothing but workers' labour. If there is anything by way of the taxes that is useful to the workers, it is a drop in the ocean. The entire administration which the government runs, using the value of taxes, is to maintain the police, army, courts, prisons and finally gallows. Its administration is meant to suppress the working class. Since that administration is not for the welfare of the workers, the working class need not bear that expenditure by its labour. The entire value of the taxes is part of the surplus value which the working class loses.

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2. There are many kinds of artists in human society. Poets, singers, painters, dancers etc. The government gives many prizes, awards etc. to such people. It felicitates them by spending a lot of money. It pays for many such expenses from its taxes. To what category do such artists — who receive awards and felicitations — belong?

A. If a singer sings before a gathering and takes some remuneration in return, she has that right. Each and every artist has the right to get some remuneration in return for her labour. However, artists

receiving some value from the tax-revenue of the government in the form of awards and felicitations is not something which they get in lieu of their labour. The governments of the exploiting classes maintain the culture (traditions) of titles, awards and felicitations in order to convert highly intellectual workers and artists into their supporters. They spend some portion of their income on such activities. Such types of income which artists receive from the governments are part of the surplus value of the working class.

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3. Are taxes the only source of income for the government?

A. Not simply taxes. The government also runs some industries on its own. Which means, the government [State] is also a capitalist. It also earns surplus value of the workers of the state-run industries. This is also its source of income.

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4. How is it 'justified' if the capitalist himself fixes his wage?

A. Does the capitalist want 'justice'? Who is a capitalist? He is the heir of the slave-master and landlord! He is the modern man who continues the legacy of the exploitation of labour. The justice of such a capitalist lies on the side of exploitation. In case, a capitalist takes less wage, it won't go anywhere. It adds to the profit which goes to him.

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5. If workers are allowed to fix their wages for themselves?

A. It doesn't make any difference. Suppose the capitalist pays the wages which the workers fix for themselves. He would add up all the wages and add 'profit' over and above those wages. Then what will happen? Whatever is added will also be part of the total value. He would take some portion of the commodity as profit. Anything that is added over and above the wages is the surplus value of the workers.

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6. How to calculate surplus value easily?

A. If we subtract the value of means of production and the value of wages from the money that is secured after selling the commodity, the whole thing that remains is surplus value. We need to calculate surplus value in the total mass of all commodities in the same manner. This is the way by which we can know surplus value anywhere: in the case of a capitalist, in a given branch of production, or even in a country. ★

52. Surplus labour, Surplus value and Surplus product

All three are one and the same. They are different forms of the same thing.

Surplus labour: Let us take a worker working with a master. He works 10 hours every day. He makes a few products. Let us assume that the sustenance he receives from the master per day is a collection of things made of 5 hours of labour. The amount of labour that the worker gets from this labour is 'necessary labour'. That is the labour he ought to perform for his own sustenance. The labour performed over and above this is 'surplus labour'. This is the labour which he won't receive. In this example, surplus labour is 5 hours which goes to the owner!

Surplus value: The value of the surplus labour is surplus value. Let us suppose that the value of 10 hours of labour that the worker performed is 10 Rupees. Let us also suppose that his wages are 5 Rupees. Only when the owner sells worker's labour, we will know the value calculations of the labour. However, it is not possible for the master to sell labour of the worker separately. He has to sell the 'products' which the worker produced. Not only the worker's labour, but also the old labour added through the means of production, is present in that product. Let us suppose that the old labour is 8. Then, the total value of the product actually would be old labour 8 + new labour 10 = 18. However, the owner who had the product made would be aware of only the cost of 8 spent on the means of production and the cost of 5 spent on the wages. Both of them together would make 8 + 5 = 13. The owner will add 'some more' over and above this expense of 13. "Don't I have to pay land rent and the interest? Should I not get some 'profit' as well?" he would ask. Through previous 'sales experience', the owner would know how much

more he could add over and above the expenses of 13. Let us assume that the owner added 5 to the costs of 13. Because there is a surplus labour of 5 in that product, the owner could add 5 more to 13. Finally, the value of the product becomes 13 + 5 = 18. When he sells it, he would get money of 18. He would get back 8 of the means of production and 5 of wages. Over and above this, he would also get a 'surplus value' of 5. The value of the surplus labour present in that product is the surplus value.

Surplus product: We assumed that the surplus value of the worker is 5 Rupees. The quantity of the product which has the value of 5 is the surplus product. We must look at this point in a little more detail. The duration of the worker's labour is 10 hours. We have to call the 10 hour period a 'Working Day'. Let us assume that during those 10 hours, he made 18 things (units). However, all the 18 things do not constitute his labour alone. A value of 8 originating from the means of production is also present in those things. We must therefore first understand how many of the 18 things represent the old labour and how many represent the new labour. The value of the 18 things is 18 Rupees. One thing costs 1 Rupee.

Since the value of the means of production is 8, that component will receive 8 things. And since the value of the worker's labour is 10, that component will receive 10 things. It means, should the worker receive all the fruits of his labour, he must get 10 things. However, this does not happen. He receives only 5 things as wages. The product that he does not receive is surplus product. It consists of 5 things. Its value is 5 rupees.

Surplus labour, surplus value and surplus product, all are one and the same.

When we speak of 'labour', we see it in terms of hours. When we speak of 'value', we see it in terms of money. When we speak of 'product', we see it in terms of things.

The surplus labour which the master gets would be either in the form of 'some quantity of products' or 'some amount of money'. On some occasions, he gets in the form of 'some work'.

The surplus labour which the masters got during the times of the slaves and serfs was mainly

in the form of surplus product. Since the times of the capitalists, the surplus labour which they (the capitalists) get has been in the form of surplus value (surplus money).

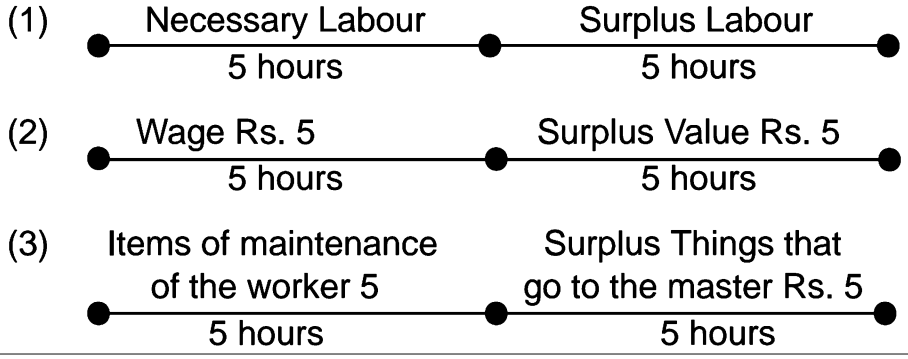
Here in order to simplify our example, we supposed that the worker's wages constituted half of his labour and the surplus labour the other half. Since the period of slavery however, in real life, the exploitation of labour would have exceeded 99%. Which means, the sustenance that the worker receives would not constitute even 1% of his labour. Without exploi-tation of this magnitude, the comforts and luxuries which the exploiting classes enjoy without doing any labour and the costs of maintaining the police and the army of the state machinery would be impossible. It is quite simple to isolate these accounts of exploi- tation in the capitalist system.

Questions and answers

1. A working day (the work period of a worker) is 10 hours. Its value is 10 Rupees. Wages 5. The worker produced 18 things. The value of the means of production is 8. Based on these figures, illustrate the following in line diagrams (1) surplus labour (2) surplus value and (3) surplus product.

A. The working day of 10 hours will be divided into 2 halves. Total number of things 18. 8 things go to the share of means of production. The remaining portion that represents the labour of the worker- 10 things. These things will be wage as well as surplus produce.

The Working Day of the workers:

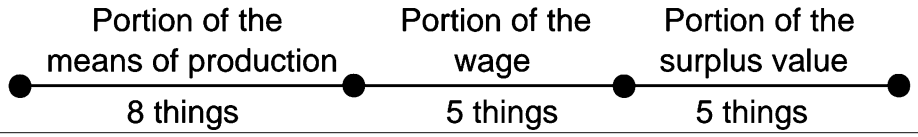


2. Consider the details of the first question. Distribute the 18 things,

which the labourer produced, to the portions of the means of production, wages, and surplus value. How many things each of these portions consists of?

A. Value of the means of production-Rs.8. Wge-Rs.5. Surplus value-Rs.5. The total things which the labourer produced in one working day are 18. The value of one thing is 1 rupee.

If we divide 18 things into 3 portions:



3. What is the amount of surplus value as per information given in questions 1 & 2?

A. Surplus labour is 4 hours. Surplus product is 5 articles. Surplus value is Rs.5.

4. Would the owner get surplus product or surplus money from the labourers?

A. During the days of slaves and (feudal-) tenant farmers, the masters used to get surplus product. From those products, some would go to the merchant and some towards 'interest'. But as the system of sale of commodities developed, the master began to get everything in the form of money. With 5 surplus money, he could buy different commodities from the market. That amount is the product which the master gets due to the surplus value of the workers. If the master paid 1 to someone as interest, then the person who received the interest would buy some product in the market with that 1.

5. A money capitalist received Rs. 5 as interest from the cloth capitalist. The money lender bought grain with that money and consumed the grain. Well then, is that 5 value, which that money lender got, part of surplus value of the cloth labourers or grain labourers?

A. It is the cloth capitalist who paid that 'interest'. That interest is part of the surplus value of the labourers who produced the cloth. Those who share the surplus value, produced in a work place where cloth is made, can buy either cloth or any other product with that value. The source of the surplus value is known not from the fact of what was bought with the interest money but where from that interest came.

6. In a workplace, 5 labourers produced 50 meters of cloth in a certain

period of time. When calculations are done, it is found that 10 meters of cloth go to the portion of means of production. But, could that 10 meters of cloth be used as new means of production?

A. No, it is not possible. The capitalist can get new means of production with the value (money) which he gets by selling 10 meters of cloth. In the work place where cloth is made, things like yarn (thread) and loom are necessary and cloth would not be useful as a means of production. Those who use cloth as raw material in their industries would buy that cloth and give money. Getting that money implies that the value of means of production spent earlier has come back. One would get new means of production with that value.

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7. There are 2 intellectual workers and 10 manual workers in a workplace. The length of the working day is the same for all. But wages vary. As a result of the labours of all workers, a machine-like product is produced. It is irrelevant whether it is produced in 1 day or a week. The value of that product consists of the labour of 12 workers. The surplus value is also included in it. How, then, will we be able to know the quantity of surplus value that each worker rendered?

A. The capitalist would get some money if he sold that product. We have to first deduct the portion of means of production from that money. The remaining amount consists of the labour of the 12 workers. We have to deduct the portion of the wages and the remaining will be the surplus value of the 12 workers. Now we have to compare wages and the surplus value. Let us suppose that if the total of the wages is 50, the total of the surplus value is also 50. This means half of the working day consists of necessary labour and the second half consists of surplus labour. Or let us suppose that if the total of the wages is 50, surplus value is 100. It means, necessary labour consists of 1 portion while the surplus labour consists of 2 portions. In this manner, we have to first find out the proportions of necessary labour and surplus labour. Let us suppose that the ratio is: wages -1: surplus labour -2. This ratio applies to each worker. If the wage of a worker is 4, his surplus value will be 8. If the wage is 6, surplus value will be 12. In this manner, we can find out the surplus value of a given worker. We can do all this very easily.

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8. Who decides the wages of the worker, the worker himself or the Master?

A. The master decides. Even if the worker himself determines and says “I

need this much of wage", it does not constitute the 'value of the labour'. This worker is aware of the wages which the other masters pay to their workers and asks the same amount of wage. However much be the wage amount which the master pays, he would invariably add profit over and above it. These two components (wages paid and profit added) together constitute the 'value of the labour'. It means, wage is not the value of the labour.

9. Does the worker sell his 'labour' or 'labour power' to the Master?

A. The worker does not know what he sells. He seeks work. He performs the task expected of him. He takes the wage. That is all. He would not know that the profit the owner makes comes from his own labour.

10. Workers do not know about surplus value. Yet we are referring to it. Similarly, workers do not know what they are selling. Then with what name they should refer it?

A. They should call it 'labour power'.

11. It is 'labour power' which the worker sells. The capitalist buys the same. What he pays is its value. What then, is wrong on the part of the capitalist?

A. Who decided that, 'the labour power has a certain value'? It is the master who decided. Everyone is aware that the people who till the land live on *rice water* (gruel) and live in huts. Who decided upon gruel and huts as the value of their labour power? Everyone observes that all the masters live in big mansions, eat varieties of delicious food. Who decided upon so much value for their maintenance? All these decisions were formed as a result of master-worker relations. A person who performs labour must receive the value of his labour. He must get the entire value of his labour. Not merely the value of his labour power. But the labourer is getting so little which makes him live in a hut or a small congested room in a state of semi-starvation and lacking many needs. It is the master who always decides this. The whole thing is wrong.

12. The working day of a labourer is 10 hours. Out of these 10 hours, necessary time is 5 hours. What if the labourer works only for 5 hours and then stops his work? The labour necessary for his maintenance would be over by then, right?

A. But it is a Master-Labourer relationship isn't it? The labourer should do labour not only for his own maintenance but also for his master, shouldn't he? The original agreement is that the worker ought to work

for 10 hours. Accepting this agreement, the worker takes up the work. The actual fact is that the labourers do not know any of these things. They do the work and receive wages as per the agreement. They do not know more than this. In case the workers do just enough labour necessary for their maintenance, then all the masters have to do labour for their own sake. Then the master-labourer relations will disappear. In fact, it should happen like that. But it won't happen in Master-Worker relations.

13. If someone says, "you are giving all such calculations to suit your argument that 'surplus value is present in the commodity'. But it is not true" — what do you say?

A. Why someone? You can also say! Show all the calculations to argue that surplus value is not present in the commodity. Explain how incomes like rent, interest and profit come from a commodity and what types of labour do the consumers of those incomes perform for the sake of the commodity! Illustrate with examples how production of cloth will be stopped without the presence of rent, interest and profit just as it stops if there were no yarn and loom! If you can show all that, it will be easily proved that 'commodity does not include surplus value'. Make your own attempt. ★

53. 'Capital' is a grand lie!

[This lesson is the longest of all the lessons. All the contents of this lesson must be in a single lesson. It is better to read like this than dividing it into smaller lessons. Questions related to this will constitute a separate lesson.]

There are a lot more things to know regarding the 'capitalist system'. We shall see at least some of them in the subsequent lessons. But, before that we should disclose 3 secrets here rightaway.

We assume that 'the capitalist' would invest the capital with his own money, don't we? We believe that he would spend his own money for 'the means of production', that he would pay the wages to the workers with his own money and that he would take a profit in lieu of his hardship – so do we believe. But, these beliefs are absolute lies!

Not even a single one of these assumptions is true. If we understand these matters properly, the entire 'Economics' would be clear.

The value of any product which the capitalist gets done consists of 3 portions.

The value of the cloth = Means of production 80 + wages 20 + surplus value 20 = 120. The three aspects are 3 secrets!

The first secret

Among these, the 3rd portion, the surplus value, doesn't belong to the capitalist. This is one secret. We have already seen this. That is not all, even the first two portions too do not belong to the capitalist.

The issue of the wage is another secret

We assume that "indeed the capitalist pays nothing towards the surplus value but would pay his own money towards the wages every time". However, this assumption is completely erroneous! The value paid as wages doesn't belong to the capitalist. It is a part of the value of the workers' labor only. Let us see payment of wages three times consecutively.

(1) The capitalist initially carried 20 Rupees in his pocket to pay wages. It is a different matter whether that 20 money had come due to the labour of the capitalist or some 'interest' or 'rent'. Owing to this, there won't be any change in the subsequent happenings.

On a certain day, in a workplace, the workers did a labor of 40 and produced commodities. The capitalist took out the 20 from his pocket and gave it to the workers as wages. The workers left for the day. The capitalist sold off the commodity (it is immaterial when he sold the commodity, the same night or the day next, some time he would sell it). The entire value of the commodity has come into the hands of the capitalist. The value of the workers' labor in that total value is 40. We have to view this 40 as 2 portions. 20 of wages + 20 of surplus value. Here, 20 of surplus value is not necessary. It is obvious that it is the value which the capitalist got without paying wages for it. Here we need to examine wages only.

The capitalist set aside the wage 20 from the 40 which he got as the value of the labour of the workers and kept it in the

pocket in order to pay wages again. It means, the money which the capitalist initially paid as wages has come back to him. The value which he gave has come back. It has not gone anywhere. Although the money of the capitalist returned to him, it seemed as if he paid the wages of the workers with his own money. Where did the 20 that the capitalist paid as wages to the workers come from? It is part of the necessary labour which the workers did. In other words, it is part of the 40 that constitutes the value of the labour of the workers. Their wages are part of their labor.

(2) The workers returned to work. They did 40 labour again to produce similar commodity like the day before. The capitalist took out 20 from his pocket and paid the wages. The workers left. Then, the capitalist sold off the new commodity. The labor of the workers 40 returned into his hands as money. From that money, once again he kept aside 20 in his pocket to pay the wages again. That means, the money the capitalist paid as wages second time did not go anywhere. It came back to him. The capitalist's money returned to the capitalist. Nevertheless, it appeared as if he paid the wages with his own money. Where did the workers receive their wages from? From the 40 of the labor which they did second time. They got their wages from their labour.

(3) The workers returned to work again. They produced again the same kind of commodity which they did in the previous days with a labor of 40. The capitalist took out 20 from his pocket and paid the wages for the third time. The workers left. Then the capitalist sold the new commodity. The labor 40 of the workers came into the hands of the capitalist as money. He set aside 20 out of 40 and kept it in his pocket for paying wages next time. It means, the money 20 which he paid as wages third time has not gone anywhere. It has come back to the capitalist only. The value which he gave has come back. Although the money of the wages returned to the capitalist, it appears as if he paid the wages with his own money.

If we see the issue of 'wages' from the side of the workers, they won't get wages every time for the work that they did once.

They would get wages again only if they do labour again. They would get second wages if they work for the second time. Third wages if they work for the third time. Each time, they get some part of the labour as wages.

If we see the issue of wages from the side of the capitalist: If he puts 20 money (some money) in his pocket only once, it is enough. Every time, he does not need fresh money. He can pay the same money again and again and again as wages from the money he gave in the first instance. This is how it is possible: If a person gives some value to others, he can take back the same amount of value in return. If we focus our study on wages alone, the capitalist gives 20 wage to the workers and in return takes back that 20. He would not use that returned money for his domestic needs. Whereas the workers, they would use up the wage money for their maintenance. But the capitalist, when he gets back the wage money, he would keep that money in order to pay wages again next time. If the capitalist would not use that money how would his domestic needs be fulfilled? The money that went as wages would bring along with it some surplus value when it returns, right? He would use it. The capitalist sends the wage money into the sphere of production with an intention to get surplus value. It (the wage) would bring surplus like that. The capitalist, while consuming the surplus value, makes use of the wage money to pay wages. Whenever it goes there, each time, it will get the surplus value along with it. If the capitalist uses up the wage money for the maintenance, how would he earn surplus value?

Here we have to recall the exchanges that take place between independent produ-cers. While exchanges take place between them, every time values (articles) on both the sides get consumed. If Ramayya, the potter, gives the pot (or money) and takes the shoes, it amounts to the fact that he got back his value. It would be an exchange of equal values. He would use the article (or money) which he got in the exchange. Somayya, the shoe maker, also uses the pot (or money) which he got in return for the shoes. If they get money through an exchange, they would buy some article with

that money and use it. In the case of both persons, their labour is consumed every time. No one would get more value than what they gave. If they do not use or retain an article or money which they got through an exchange, it is not possible for them to survive.

If the potter-Ramayya needs another article after an exchange, he ought to do more labour, give another article or money, get the needed article and use it. Persons of both the sides in an exchange would live only if they produce articles with their own labour, exchange them and use the values thus obtained.

But what happens in the case of the capitalist? If we confine ourselves to wages, it appears like an exchange. As if an exchange took place between 20 wages which the capitalist paid and the 20 necessary labour which the workers gave.

But it is meaningless to separate 'necessary labour' alone from the total labour of the worker and see that an exchange has taken place with it. It is not an exchange that happens between the wages which the capitalist pays and the total labour which he takes from the workers. If the capitalist pays 20 towards wages and takes 40 from the workers and if this happens daily, it can not be an exchange.

Wage is a means that grabs surplus value. Paying wages and getting back that money (of wages) are technical steps intended to earn surplus value. In plain words, the whole thing is a big drama.

The story of the 'wages' would happen again and again and again the same way even if we watch several hundreds of times. With a money figure of just 20, the capitalist could pay the wages hundreds of times over and over again. He does not need new money each and every time. His 20 money will come into his pocket again and again.

If that capitalist sells the entire commodity and closes that industry, the 20-money which he paid as wages in the past would now remain in his hands. As the new commodity is not present, he need not pay that 20 as new wages. Which means, he never spent that 20 money at all! Well what is it that he paid as wages all these days? 20 out of 40 labour which the workers put

in every time is wages.

We need to understand that what happens between the capitalist and the workers is not an exchange.

Another example:

Suppose that an independent producer saved some money from his own labour and started an industry with his own money. Let us also suppose that he paid 20 as wages to the workers from the money he earned through his own labour. Workers do labour. Commodity would be ready. When it is sold, the money he invested will come back. That money includes 20 wages also. Getting back the value spent on wages is the right thing. The independent producer who turned into a capitalist would not use the value of those wages for his personal needs. He keeps it as it is and uses surplus value only. He uses wage money again and again for wages only.

It means, whether the source of money paid as wages is the self-labour of the capitalist or exploitation of others' labour, both are the same. Whatever be the origin of that money, once it assumed the form of wages it would come back accompanied by surplus value every time. If the industry ceases to function, it would finally remain in the hands of the capitalist.

If we look at this example of wages from a different perspective, we can understand the actual secret more easily. After the workers completed the work, the capitalist would not pay the wages on a daily basis. He would pay the wages on a weekly or monthly basis. He would have sold off the commodities — which the workers produced — prior to paying the wages. He would pay wages from the money earned after selling the commodity. This is what actually happens. On a certain day, the workers have performed a labor of 40 in a day. The capitalist has not paid the wages immediately. The workers have left for the day. The capitalist has sold away the commodities. The capitalist received the workers' labor of 40 as money. He took out 20 from this money and offered it to the workers later, " here is your wage of last week". As the capitalist pays the wages from the money he got after selling the commodities, it is quite clear here that 'the wage' is a part of the workers' labour.

It is the same whether the

wages are paid before selling the commodity or after. The wage money is not that of the capitalist. It is not the labor of the capitalist.

The amount of wages could be 200 or 2000, if not 20. It is immaterial 'how much' is that amount. Whatever be the amount of that money, it is not something which is taken out of the capitalist's labor and paid.

It is unimaginable ignorance to presume that the capitalist would pay the workers wages every time with his own money! The truth that the capitalist pays nothing in the name of wages is a greater secret than the secret of 'the surplus value'!

Now, the secret of 'the means of production'!

In the example of the cloth, the value of 'the means of production' is 80. Outwardly, it appears that the capitalist bought the means of production with his own money. How did the capitalist get that 80 money which he invested on the means of production? To answer this, first we need to examine one particular aspect of the question.

The capitalist gets some amount of 'industrial profit' every day. In the example of the cloth, that profit is 12. From this amount, the capitalist spends some portion on his family and add the remaining portion to the capital. If a part of 'the profit' of a year is added to the capital, the capital would increase. It will become 500 after some time and 800 later. This way, a part of the surplus value is always added to the old capital. It means, the investment of 80, which the capitalist placed initially on the means of the production, is also something that comes from the surplus value of the past labourers and keeps growing.

The family of the capitalist must have amassed an amount of money over the past times through 'land rent', 'merchant's profit' or 'money lending'. Regardless of the source of that money, it belongs to the past workers, not to the capitalist's family.

If any person does labour, the value that he gets in return for his labour would be spent on his maintenance. Even if that person is an independent producer, he would live a little more comfortably than the worker; but

he cannot accumulate huge amounts of money that he could invest as capital. It is impossible to invest capital with one's own labour. Properties and capital are accumulated only by means of money secured through exploitation of labour of others.

Let us suppose that a capitalist borrowed that money of 80 required for the means of production. How did the money lender get that money? Only through exploitation of labour in one way or the other. And one that keeps growing gradually by some means of exploitation of labour.

When the 'surplus value' belongs to the labourers, 'the mass of means of production that originates from it also belongs to the labourers! This is also a big secret!

What, then, is the final conclusion about capital? No part of the 'value of the commodity' includes the labor of the capitalist.

If we consider the cloth made in a day, the surplus value of 20 present in 'the value of the cloth' doesn't belong to the capitalist.

Wages 20 – doesn't belong to the capitalist.

The 80 of the means of production doesn't belong to the capitalist.

On the whole, the product doesn't belong to the capitalist. This is the case with all other products!

All the means of production which constitute the property of the capitalists, have been formed due to the surplus values of the labourers of the past and present. The means of production which form in the subsequent period of time too grow out of 'the surplus value' only.

It means, the properties of the capitalists do not belong to their fathers and grandfathers but to the parents, grandparents and great grandparents of the labourers.

The 3 components embedded in 'the value of the commodity' commissioned by the capitalist constitute 3 secrets!

It is a magnificent lie to say that 'capital belongs to the capitalist'!

[Questions related to this lesson
will be in the next lesson] ★

54. Who will get Profit: Capital or Capitalist?

Capitalist intellectuals say, "If capital is invested, it should get profit". As if it is the capital which gets profit. But, it is not the capital but the capitalist who gets the profit!

What does 'capital' mean? Means of production and means of subsistence of the labourers. The two constitute Capital.

To produce an article two things have to be spent: (1) Some means of production, (2) Some new labour. Those who use that article ought to do the entire labour again, otherwise that article won't be there again.Those who buy that article, ought to pay its entire value (that entire labour). Then that article will be produced with that value.

If the article is produced and sold by the capitalist, its whole value goes to the capitalist. A portion of that value is profit. Why that profit? If that profit is not secured, won't the article be produced again?

To make clothes weighing a ton, a pair of scissors having a value of 10 is totally used up and worn out. (Not only the scissors, but other implements too would be spent. Yet, it is enough if we consider scissors for now. It is the same case with others.)

The value of a scissors is 10. It is wholly worn out. A value of 10, but not more than that, would come to that commodity from that scissors. When that commodity is sold, and if we consider scissors only, the value of 10 alone will come back. Since more than 10 value has not come from the scissors, more value won't come back when the commodity is sold. If more than 10 value has come to a commodity which was made by means of a scissors having 10 value, the scissors has nothing to do with it. To pro-cure a new scissors, that additio-nal value is not necessary. It would be reproduced with the old value. It means, in order to get a new scissors it is enough if the value of the old scissors comes back. In the making of a new scissors more value than the old one does not add up. If we

consider the extra value secured from a commodity is profit, the scissors does not need that profit. It does not embody profit. It does not use profit for its own sake.

Same is the case with any means of production. Even if more value than its original value does not add to the means of production, there won't be any problem for making it again. It means, the profit that comes from a commodity is not for the sake of means of production. Means of production do not need profit.

Let us suppose that out of 100 capital, a portion of 80 is means of production and 20 is the maintenance of the workers (wages).

After the commodity is produced, if an extra value of 20 is secured along with the originally invested capital of 100, that extra value is not either due to the means of production or the maintenance of the labourers. In order to secure (produce) means of production again, a value of 80 is enough. To get back again the articles of maintenance of the labour, a value of 20 is enough. No component of capital needs that extra value of 20 secured from that capital. 100 capital would be produced again with 100 capital. It does not require more value than its own.

It means that profit obtained by means of capital is not for the capital. They say, "Capital must get profit". Profit ought to come not for the sake of capital; capital does not require profit.

Well then, profit for whom? For the sake of the capitalist! Why should he have profit? In order to live without doing any work, any labour of his own, for himself.

Same is the case with 'land rent' also. Rent is not meant for land. Whether we treat rent as 'production' or 'money', the land does not use it. It is meant for the landlord. In order to live without doing any labour of his own for himself.

Same is the case with 'interest' as well. It is not meant for loan. Whether it is some product or some money that goes as loan, a loan can be without interest. When borrowed product or money is returned, the returned value will come back. Interest is not necessary in order to get back that value.

Loan has no need for interest but it is needed for the money-

lending capitalist. In order to live on interest without doing any labour of his own.

If we don't understand properly the hypocrisy of these principles, "Capital must get profit! Land must get rent! Loan must get interest!", we can't understand the labour relations that exist among human beings in society. Everything seems to be right.

Questions and answers

1. The value of a scissors is 10. It was completely worn out while being used in making some commodity. By the time we purchased another scissors, its price increased to 12. If we get back only 10 from the old scissors, how can we get a new scissors with that value (of 10)?

A. The price of the old scissors is 10. It has been spent. We get back only 10 from the sale of the commodity. Later, if the price of the new scissors goes up to 12, we have to add 2 more to the old value 10 and then buy a new scissors with 12. 12 adds to the commodity. The same 12 would come back. With the 12 so returned, we get again a new scissors. If the prices of the means of production rise, the increased prices would be taken into account or if the prices fall, the fallen prices would be taken into account. Profits exceeding the prices of the means of production are not obtained through means of production. The means of production do not require those profits.

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2. To grow crops, fertilizers are added to the soil. Their nutrients are absorbed by the soil. Does it not mean that the land has used that product (=fertilizers)?

A. No. The cost of the fertilizers adds to the cost of means of production, which are necessary for the crop that grows on the land. Plants grow absorbing those nutrients. The fertilizers are necessary for the crop but not for the land. It is the same case even if we till the land.

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3. Who will lend loan without interest?

A. No one needs to lend. Interest has become a necessity due to the existence of exploitative labour relations among people . We should not question, "who will lend a loan without interest?" We should question: "Is interest necessary in order to produce

something?" It becomes evident that it is not necessary. Well then, we get another question: 'Why the system of interest is in existence?' We then arrive at the answer: 'So that the money lender could live without doing any labour of his own'. We should also question further: 'How did these lenders get that money in the first place?'

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4. An independent producer has accumulated Rs. 100 by means of the labour of his family members, himself included. He invested it as 'capital', engaged workers and set up a small industry. His capital is his own labour, isn't it? Will he not have the right to take the profit?

A. No, he won't. He will have the right to take back 100 only since his capital of 100 represents his own labour. Let us suppose he would get '20 surplus value' daily from his industry. Surplus value that he gets in 5 days will be 100. By the time he receives this 100, it would mean that he got back his 100-capital. Thereafter, those means of production will not belong to him. Since the capital of 100 in this example represents the labour of an independent producer, he has the right to take back that value. But, if it were the capital of a person who did not do any labour of his own, he would not have any right to take that value.

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5. Does the capitalist pay wages to workers first or do the workers perform labour for the capitalist first?

A. Workers give their labour first. However, whether the workers give their labour first or later, both mean the same as far as the calculation of value is concerned. If the capitalist has to pay wages before the workers started the work, he has to carry the money of wages in his pocket. Instead, if he could pay wages after selling the commodity, he need not keep the money meant for wages in his pocket.

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6. The value of an article is 12. Old labour is 8. New labour is 4. Let us suppose that surplus labour is 2 in the new labour. Will the article be produced if this surplus labour 2 was not performed?

A. The question should not be framed like that. The question should not be, 'will the article in this example, be produced if 2 surplus labour is not performed.' The question should be: 'Will the article be produced if the total labour of 12 is not present?' If it is the article of an independent producer and if he uses 4 for his

maintenance during the time when new labour of 4 is performed, then it means that the article has been produced without surplus labour. Or, if his maintenance is 3, surplus labour will be 1. The value of the article is 12. If the same article is produced in the context of master-labour relationship, then also a new labor of 4 would be performed. Hence, the value of that article would be 12. How much of this new labour goes as surplus labour is something that is calculated later.

7. Now we know that 'money is means of exchange'. Well, then, what do 'black money' and 'black market' mean?

A. Money that is not shown in the accounts is black money. Black market means selling things secretly at prices higher than those fixed by the government. Each and every capitalist ought to show correctly his accounts related to the commodities produced in his industry and also accounts related to his income tax, right? But they won't show like that. At every step they show false and fraudulent accounts. Finally, they show their net income as very little. They evade large parts of the income tax which they ought to pay. Money gets saved without paying taxes by means of false accounts. While selling commodities, sometimes they hoard the commodities, create fear of non-availability of the goods and then take out the hoarded commodities and sell them at higher prices. Of course, it is not always possible. It happens only when the supply of commodities decreases a little.

8. Consumption of an article means, using up of that article. What does using up of 'money' mean? Money is not used up, isn't it?

A. Why not? If a person gives some money and buys some article, why does that money still stay with that person? Does it not mean that the person has used up the money, doesn't it? If an article is used up, it means that the labour is expended.

9. How is it possible to use the same money again, without exhausting it, once it is spent on paying the wages?

A. It is possible. That money gets exhausted only if it is used for his personal consumption. Paying for wages also amounts to using that money. But it will come back again. If he pays wages again, it is spent again. But it will come back again. If the capitalist uses that money always for wages alone and not for other needs, it keeps coming back. ★

55. The land rent has become two parts!

There is a landlord called Yedukondalu. Do not ask "Where?" Such landlords are everywhere in the world. He has a thousand acres of land in his possession. He rented it out to the families of a 100 farmers. The land rent system has been in practice since the times of his ancestors. Presently it is the regime of Mr. Yedukondalu.

By now, a few industrial capitalists like Chalapathy who amassed huge quantities of money have emerged. One fine day, Chalapathy called upon

Yedukondalu. "Look landlord! You have thousand acres of land. You rented out to one hundred families. You are facing a lot of trouble as they don't pay the rent on time. Listen to me! You rent out all the land to me! I will pay the rent to you on this land," he said.

The landlord was surprised. "How will you pay the rent? Those peasants toil en masse. What will you do alone?" he said.

"Well, that is where we differ from each other in being smart! If I take over the land, don't they lose it too? Then they will approach me for work. They will toil on the land the same way as they do presently. From then onwards, they will not be your peasants, they will be my laborers," explained Chalapathy majestically.

The landlord was astonished again. "Of course! A good idea. I am facing intolerable trouble in collecting rent from all these folks. Every year they evade half the rent. You have come up with a brilliant plan. Anyway, you capitalists are much smarter than we folks, aren't you? We will do as you said," the landlord consented happily.

Chalapathy said again. "How-

ever, there is one thing! How much rent do your farmers pay you? I will not pay that much. They are paying you all the earnings other than what is needed for their own subsistence. If I too pay wages for their subsistence and surrender the rest to you, what will become of my 'profit'? How will I get a 'profit'? Therefore, your rent must reduce, if I have to get some profit!"

The landlord was astonished again. "By how much will you slash it? Will you pay at least a half?"

"Of course! Why won't I pay a half? After the wages are paid, we will split the rest equally!"

Yedukondalu started thinking. "All right, let it be! Am I even getting a half from these folks? They devour everything themselves as if the land belongs to their grandfathers," he consented angrily after a while, thinking about the lapses of the tenant farmers.

"That is the nuisance with the laborers. They always lament over their deprivations. No quantity is sufficient for them to swallow. By the way, what did you do when they didn't pay the rent?"

"What do I do? There are people to look after that. They will drag the evaders out, lay them in hot sun and mount rocks on their backs. Hang them upside down from the tree tops. Or tie them to carts and drag them over the stones. No use, whatever you do, they have no shame! 'No Sir, no harvest Sir' they keep telling lies. Why would there be no harvest? Our land is like gold."

Chalapathy replied with enthusiasm: "Why do you worry whether there is a good crop or not? As agreed upon initially, they ought to pay your rent, that's all. I will pay the rent to you whether or not there is a good harvest. If there is no good harvest, I will face the music."

"Well said. How many times did I wish to snatch the land away from those scoundrels! What if I snatched away? Even if I gave the land to other rogues, they are no different either. They would keep on crying, "No harvest. No harvest! We can't give you so much rent! We can't give you so much rent".

"Landlord! Why bother with all these troubles? All these days, you suffered due to those guys. Now, handover your land to me,"

said the would-be tenant farmer.

In the meanwhile, a maid emerged from the kitchen with a silver platter containing several food items emitting aromas. She is also a member of a tenant's family. She cooks at the landlord's home daily.

In two of the silver cups, rice pudding looked appetizing with ghee floating on the top. The cups contained golden spoons. There was one cup overflowing with fresh cheese, emitting aromas. There was a golden spoon in this cup too. In the fourth, there were skinned *Sapota* fruits and fleshy Jack fruit seeds.

No sooner than the dishes arrived, Chalapathy *'pounced upon'* them. First he snatched the cup of cheese. "I am very fond of cheese" said he.

"We get it all the time. I am tired of eating cheese all the time. I won't even touch it," said the landlord and reached out for the cup of rice pudding disinterestedly with apparent lack of appetite.

By then Chalapathy, having polished off the rice pudding after the cheese, was tending to the Jack fruit. "My goodness! How tasty they are! I suppose your folks add a lot of manure to the grove," he said and put the empty cup down.

"This Jack fruit grove guy has been evading the rent for the past three years. I thought enough is enough and got him arrested and sent to the jail," said the landlord.

"Well done," said the would-be tenant farmer and stood up.

Questions and Answers

1. What is land rent (feudal rent)? Who pays it?

A. This is the rent paid by the tenant farmers who perform labor for themselves. We have to set aside from the gross harvest, the part of the means of production and consider only the part of the farmers' labor. Let us divide the produce that befalls the farmers' labour into 4 portions. Let us assume that 3 portions (75%) belong to the rent and 1 portion (25%) to the subsistence of the farmers.

2. The land rent has been divided into two portions. When? And why?

A. The capitalist has taken possession of the land from the landlord for

rent. The toiling farmers of the past are the agricultural labourers of the present day. From the harvest, we must set aside the portion of the workers' labor. The wages of the workers are to be paid from this. After subtracting the wages, if the rest is to be paid to the landlord as rent, what will remain for the capitalist? Therefore, that portion which was in the form of rent in the past should be available today as 'rent' to the landlord and 'profit' to the capitalist. The portion which remained as rent in the past therefore becomes 2 parts now.

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3. What constituted 'surplus labor' in the past periods of land rent? What constitutes 'surplus labor' in the days of the capitalist rent?

A. In the past, the land rent which the landlord received was the farmers' surplus labor. After the emergence of the capitalist farmer, 'land rent for the landlord + profit for the agricultural capital' together constituted the surplus labour of the agricultural labourers.

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4. If the landlord pays interest, what does that constitute? If the toiling farmers pay the rent? And if the capitalist farmer pays the rent?

A. Whether it is interest or any amount given to the trader or any other expenses which the landlord pays for—the source for all these expenses is the 'rent' that he gets. If the capitalist tenant farmer has to pay interest, he has to pay it from the 'profit' which he gets. If he need not pay interest, it is a saving for him. If the labouring peasants have to pay interest, they have to do so from the portion of their subsistence because of which their maintenance reduces. Neither the landlord nor the capitalist would incur any loss due to payment of interest as the labourers would.

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5. If the landlord takes back his land from the farmers and gives it to the capitalist farmer, the rent collected thus far will shrink, won't it? How would the landlord consent for it?

A. When it happens, it does not happen in such a way that those classes would understand it with clarity. A change of this sort happens over a period of hundreds of years, not in one or two years. A few generations will pass away by the time the smallest change in the labor relations takes place. The landlord's family would not know that the land rent would decrease if the land is given out to the capitalist farmer. This is because the harvests of the past and harvests in the capitalist agriculture would not be in the same quantities. Let us suppose that the portion of the labor of the peasants in the past was

100 bags of grain. The rent would constitute 75 bags out of this, which would amount to 75%. Let us suppose further that the harvest under the capitalist agriculture was 200 bags with the same quantity of labor and from the same land. Let us also suppose that the rent constituted 80 bags out of this. A rent of 80 out of the harvest of 200 is 40%. It means, the rent earned out of the capitalist harvest is significantly less than that of the past harvest. However, while the rent of the past times remained 75 bags, the rent of the capitalist production constituted of 80 bags, and therefore, it appears as if the capitalist rent is more. All these changes and calculations take place without the knowledge of the landlord, the capitalist or the agricultural workers. All this knowledge has been acquired as a result of understanding the phenomenon of exploitation of labour and the related logic.

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6. Let us suppose that a tenant farmer who works himself employs a couple of laborers out of necessity. When a small scale capitalist employs laborers, he would be an exploiter of others' labour, won't he? Likewise, when a labouring tenant farmer employs laborers, would it not amount to exploitation of labour?

A. This is an issue that requires careful thinking. In the case of the tenant farmer who does labour, things do not happen as they happen in the case of the small scale capitalist. The labouring tenant farmer does not receive the surplus labor of the agricultural laborers.

This is how it happens:

Let us have an example as follows:

The labor which the (family of the) farmer has to perform is: 20 for self subsistence + 40 for land rent = 60. If the tenant farmer performs the entire labour without employing any laborers, the labor would be 20 + 40 = 60. If he employs laborers, a part of the labour of 60 would be done by the labourers. As a result, the part of the labor which the farmer ought to do would reduce. Now we have to see how these changes take place. The tenant farmer employed two laborers at one time. Their wages together amounted to 5. Their surplus value was 5. How should the tenant farmer pay the wage 5 to the laborers? From which part of the harvest would the salary 5 come? The wage will come only from the subsistence component 20 of the tenant farmer. If the subsistence 20 is considered, out of this, a labor of 5 belongs to the laborers and the labor of 15 to the tenant farmer. 5 for

the subsistence of the laborers and 15 for that of the tenant farmer, together they make 20. The subsistence of the tenant farmer's family reduced by 5 because of the reduction of 5 labor.

However, the value of the laborers was not only 5, it also consisted of a surplus labor of 5. The laborers did not receive anything for the surplus labor. What has happened to the surplus labor of the laborers? Did it go to the tenant farmer? Now, we must also examine the issue of the surplus labor of the laborers. The labor the tenant farmer has to perform in the absence of the laborers is, subsistence 20 + surplus labor 40 = 60. If the laborers perform a labor of 10, that 10 would be reduced from the labor of the tenant farmer. Then the farmer's labor would become, subsistence 15 + surplus labor 35 = 50.

The land rent to be paid to the landlord was 40. But, the surplus labor of the farmer was only 35. How to pay an amount of 40 land rent with this? Adding the surplus labor 5 of the laborers is the only way. The surplus labor of the tenant farmer 35 + the surplus labor of the laborers 5 = 40. This has to be handed over to the landlord. It is true that the tenant farmer received the surplus labor of the laborers. But that money does not go to the maintenance of the farmer. That too will go to the landlord.

However, what has happened between the tenant farmer and his laborers? Because of the laborers, the labor of the farmer decreased by 10. The laborers performed a labor of 10 but received only 5 towards their own subsistence. This does not mean that the tenant farmer has received it. The surplus labor of the laborers went to the landlord and the tenant farmer did not consume it. The tenant farmer did not 'exploit' the laborers in any manner. Such exploitation of labour would be possible to some extent when the magnitude of surplus labor of the labourers is greater than that of the tenant farmer who has to lose the surplus labour in order to pay the land rent. However, if a few laborers work for the tenant farmers, the surplus labors of all of them will go to the landlord as land rent.

7. What if the 'Independent farmer' employs laborers?

A. Then he will not be an independent farmer. He will be a farmer who lives partially on his own labor and partially on exploitation. Since he need not pay the rent, the surplus labour of the labourers would go to him. ★

56. The tenant farmer who is unaware of labour!

While a few words were being exchanged between the landlord who was unaware of labour and the tenant farmer who was unrelated to labour, human history has taken a few steps forward. Everyone's life has trodden new paths.

The landlord escaped the trouble of collecting land rent from the 100 families although he remained a landlord.

Chalapathy is now not only an 'industrial capitalist' but also an 'agricultural capitalist'! That is not all, he is also a tenant farmer now! Capitalist tenant farmer! A farmer who does not do any labour!

The tenant farmers who laboured so far will be 'agricultural labourers' hereafter! Agricultural workers! Agricultural proletariat! All mean the same. This change is in a way good for them. They can escape the torment of rent payment and the punishment if they fail to pay the rent. If they labour in the field of the capitalist, wage money would land in their hands. With that, they can maintain themselves as before. But there are also a few problems associated with this change. All these years, thinking that the land was in their possession, they built their own huts on that land. They were growing vegetables on that land. Rearing cattle and hens. Raising of food crops was already part of that. No need to buy any item. When they transform into agricultural labourers, all these facilities vanish. They have to

buy every item out of their wages. The new owner will order evacuation of the huts from the fields. Otherwise he would demand a rent for the huts. Everything must run based on money calculations. Nonetheless, it was still okay. If the agony of paying the rent could be escaped, that is a huge relief. Subsequent developments could be tackled later.

In the past, transformation of the slaves into tenant farmers was progress for the slaves. Likewise, the transformation of the tenant farmers into agricultural labourers is, in a sense, 'progress' for the tenant farmers. However, 'real or complete progress' would be possible only when they get rid of exploitation of labour. Only when they free themselves from the clutches of masterhood. However, such progress is far off! However distant it may be, this journey is toward that goal! This journey started when the slaves *raised their heads.* All these are stages in that journey. One must pass through all these stages.

Chalapathy, a tenant farmer who does not perform labour converted the toiling feudal tenant farmers into his labourers. From then on, it is the same old story. In agriculture, the labourers do all kinds of labour. Crops grow. The capitalist would retain whatever is needed for his family and sell the remaining produce. He would get money. He would get back his capital (the cost of the means of production and the wages). 'Surplus value' would emerge. He would pay the land rent out of this. If necessary he would pay the interest. He would drop the balance amount into his kitty in the name of 'agricultural profit'.

In the early days of the 'industry', the capitalists found it hard to find the labourers. Only those who gave up the land due to their inability to pay the land rent were available for such tasks. A few others who possessed tiny stretches of land also showed up for the industrial jobs in the hope of earning money wages. These few people could not satisfy the needs of the capitalists. But once the capitalists took the possession of the land for rent, the problem of the labourers has been solved. All those who lost their lands were available as labourers for the industries on the one hand and the agriculture on the other.

As the matters continued like this far a few years, a revelation came over Yedukondalu the landlord, that he himself could have cultivation done on his own land. Why should he give away his own land to Chalapathy? He could keep his own labourers and have the cultivation done. If he does so, he himself would get the agricultural profit which otherwise goes to Chalapathy, wouldn't he? He thought along those lines.

Later, the same thing happened.

The landlord started 'self cultivation'. This does not mean that he would himself do labour. He would *not move a twig from here to there*. He won't do any labour. Labourers alone would do all kinds of labour. Crops grow. After paying the 'wages' to the labourers, the entire balance of amount goes to the landlord. However, he would take the income under 2 different heads. For being the landlord, he would claim the 'land rent'. And for having invested the capital on agriculture, he would claim the 'agricultural profit' on that pretext. He would believe that he was getting these incomes very rightfully under these 2 heads!

Gradually the landlords amassed money and became Industrial Capitalists.

The industrial capitalists piled up money, bought land and became landlords.

A few small scale capitalists initially worked along with their workers. Some of them abandoned work completely and became big capitalists.

Some of the small scale merchants became 'merchant capitalists'.

Money lenders became 'money-lending capitalists'.

A handful of intellectual workers, gave up proletarian way of living and 'grew' into capitalists! In due course, they grew and joined the antagonistic class that exploits the labour of others.

However, 99% of the working class population is always workers! They have been servants of the hostile classes for generations altogether! And they continue to remain paupers!

The income earned from the 'industrial capital' is 'industrial profit'!

The income earned from the 'agricultural capital' is 'agricultural profit'!

The income earned from the 'merchant capital' is 'merchant

profit'!

Income earned on money capital is 'interest'.

The income earned from the 'land' is 'land rent'!

All these taken together are surplus value.

It is just the difference in labels for the income amassed by the owners! All basically mean the same. All are portions of the surplus value of the workers. All are ways of exploiting labour! All the owners who follow those ways constitute the class of the exploiters of labour!

The capitalist system originated right within the feudal society. The landlords and the capitalists live together. With changes such as wages for the workers, working hours, holidays, commodity production, and markets, the feudal society gradually transformed into a capitalist society.

Questions and Answers

1. What are the elements on which a capitalist farmer lays his 'agricultural capital'?

A. Just as it happens in 'industrial' sector:
1) On means of production (seeds, fertilizers, implements etc.);
2) On the wages of the agricultural labourers.

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2. How does a capitalist farmer fix prices of agricultural products?

A. Just as in the case of industry. Costs + Profit. 'Costs' include not only the cost of means of production and wages but also rent, interest, merchant's commission, taxes etc. Over and above all these, profit is also included.

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3. Does the landlord pay taxes to the Government?

A. Whether it is the landlord, capitalist farmer or someone else, all will have to pay agricultural tax. It depends on their agreement. Otherwise how would their police and prisons run?

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4. What is 'self-cultivation'? Does the family of the landlord perform the agricultural labour?

A. No. The landlord does not rent out his own land to others. He employs labourers (workers) on the basis of wage payment and makes them work on the land. It means, the landlord now becomes an agricultural capitalist too. Now, the entire surplus value of the workers goes only to the landlord, partly in the name of 'land rent' and partly in the name of 'agricultural profit'!

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5. When the landlord rents out his land to the tenant farmers, he would spend on the cost of means of production, won't he? The landlord would spend on the means of production even when he undertakes self-cultivation by making agricultural labourers work for him. How would he become an agricultural capitalist in the context of self-cultivation?

A. It is a matter of terms that we use depending on the differences in the labour relations.

The first relation: Landlord vs Labouring tenant farmers.

The second relation: Agricultural capitalist vs Agriculural labourers.

In either relation, there is nothing that the master spends on the means of production. It is simply a portion of the crop raised. Those terms are based on the nature of the relations.

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6. Can all workers become capitalists?

A. One in a hundred among the intellectual labourers perhaps could. If any worker transforms into a capitalist, should there not be workers with that newly emerged capitalist? How can a capitalist exist without workers? If all the workers become capitalists, whom will they exploit? They show in the movies that a poor person becomes rich and sets up companies. Capitalists without workers and rich without the poor do not exist. If a capitalist emerges, there appear workers as well to perform labour.

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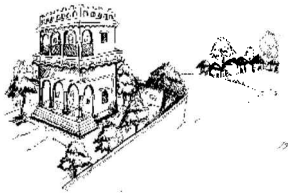
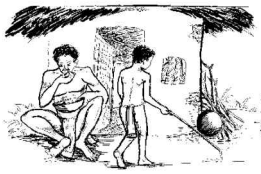
7. How does the mansion of a non-labouring tenant farmer look like?

A. A person who does not perform any labour would be either a landlord or a capitalist. Their residences look like mansions that we saw earlier.



Mansions of those who are not aware of labour look like this



The shelter of a tenant farmer who does labour

Huts of laboring slaves

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57. Exploitation of labour is still going on throughout the world!

Exploitation of labor began during the times of slavery and has been continuing ever since. However, its recognition happened just recently only after the emergence of the capitalist system. Why so much delay?

It is because: Money calculations were scarce in the past societies. There, the system of paying 'wages' to the workers did not exist. The means of production were not available in the market. No item contained the value calculation. Although a part of the produce was sold, it was too small. No accounts existed to calculate the amount of labour which the labourers did and how much of that they received in return. In fact, the concept of labor was not known at that time.

In the capitalist system, the practice of paying 'wages' to the workers had begun. Here, every item is based on money calculations. The values of all kinds of labor and all kinds of things exist in money calculations.

When a capitalist gets a product produced only for the purpose of sale, he would buy all the necessary means of production with money. The value of each of these items would be clearly known. Let us assume that value is 80. Likewise, wages of the workers too exist here as money calculations. Let us assume that value is 20. These are the only 2 components needed for the production. There is no third component here. These 2 components together make the capital which is 80 + 20 = 100. It means, what is spent as capital would also be known. The amount of money earned from the sale of the products would also be known. Let us suppose that the amount is 120. When all the calculations are available, it is very easy to find out the value of the workers' labor. How much remains if we deduct the cost of means of production (80) from

the value of the new production (120)? 40. This is the value of the labor which all of the workers in the work place performed. If we deduct the wages (20) which the workers received from this amount, what remains is the surplus value of the workers, which is 20.

Suppose that there are no money calculations for the value of the means of production and the subsistence of the workers. Further suppose that the newly produced goods are not for sale. In such a context, how is it possible to calculate the value of the labor of the workers and what portion from that value did or did not the workers receive? Not possible. It is not at all possible to understand the 'value' until the system of the wages to workers is established. Existence of money calculations implies that there are conditions necessary to discover the phenomenon of exploitation. This is the precondition. But it, in itself, is not enough.

In the first place, one must understand what 'labor' is. One must realize that 'it is the humans who do labour' and that 'tools do not perform labor'. One must know that 'land is not made out of labor'. One must know that 'rent, interest and profit' do not add any labor to the newly produced goods by themselves. One must understand the distinction between the kind of labour which the means of production add as objects and the kind of labour which the human beings in the workplace do. One has to grasp all these aspects by means of rational logic.

Not just one capitalist, take all of the capitalists and landlords in a given area! Not just a specific area but the entire country! Not just one country but consider the entire world! The entire history of the world is the history of the hostile classes! From time immemorial to-date, the entire population of the world has been divided into two principal hostile classes: into a class that performs labor and a class that exploits the labor. We too are a part of the population of a country within the world population, aren't we? That means we too belong to one of the classes – to the class performing labor or the one exploiting labor! In order to know to which class we belong, we must consider few more issues.

Questions and Answers

1. Exploitation of labour has been there since the days of slavery, isn't it? Then, why the intellectuals of those times did not grasp it?

A. For the uncovering of exploitation, certain calculations are essential. (1) When the slaves worked, what was the value of the means of production consumed? (2) What was the value of the things spent on the subsistence of the slaves? (3) What was the total value of the goods produced due to the labor of the slaves? Only when we know these 3 figures, we will find a way to understand exploitation of labour. There must exist a system to measure every kind of labor and every produce with the same measure. Although 'money' emerged a long time ago, no produce would have money calculation if exchanges through money were very rare. During the time of the slaves, wage system did not yet exist. There were no such details as how much value did their labour have and how much value was spent on their maintenance. During such a period, how was it possible for anyone to understand exploitation of labour?

2. Is there exploitation of labour in India?

A. Alas, what kind of a question is this? Do you have rents, interest and profit in India or not? ★

58. Bourgeois Magician!

Now we have to once again look into the procedure by which the capitalist determines the 'price' for the new produce.

Neither the 'land rent' of the work place nor the 'interest or profit' of the capital constitute the costs needed for the new produce. Even if the capitalist pays land rent or interest to others, still they do not constitute the costs needed for the making of the products. These costs therefore are not added to the value of the produce.

Even the 'merchant commission' that goes to the merchant for selling the produce will not become the necessary component needed for the making of the product. That cost will not add to the value of the produce. We will see more on this aspect in subsequent lessons.

In fact, the capitalist doesn't know which cost is added and which cost is not added to the value of the produce. He has to get land rent from the products that he got produced. Similarly he has to get the interest, the profit, the merchant commission, the taxes and other expenses. Just as the raw materials and tools appear as essential elements for producing commodities, the costs of 'land rent, interest, profit etc' also appear as essential things to the capitalist. He therefore shows them as the costs incurred for the production in his accounts. Finally, the following is the way the capitalist determines 'the price' of his produce:

Costs of the cloth making:

(These are the accounts of a single day)

For the means of production- 80 Rupees

For wages - 20 Rupees

For other items:

1) 'Land rent'	}	20
2) 'Interest' of the capital		
3) 'Profit' for the capital		
4) 'Taxes' to the government		
5) Merchant commission		
6) Other expenses		

Cost of the cloth - 120 Rupees

The cloth was sold. Money of 120 was earned. Out of this money, the means of production 80 has come back. New means of production will come to the work place with this money. The wages 20 also has come back. New wages will be paid with this money. These 2 components (80 + 20) will be circulating in the hands of the capitalist repeatedly. They keep returning every time. It is enough if he invests only once on the means of production. This value will be reused again and again. There is no wonder in this. Furthermore, it is the same thing with wages in the hands of the capitalist. If money of 20 is invested once on wages, it will keep returning again and again. There is no need to invest on the wages for a second time. (The 20 invested on wages for the first time too doesn't belong to the capitalist. However, it is a different matter altogether.)

The 20 that constitutes the third component of the 'price' is never recovered. It is always distributed. We may deduct the land rent, the interest, the profit, the taxes, the merchant profit and many other things out of that 20!

How surprising! All the

components that are not related to 'production' are derived from the very produce! It is possible to deduct all the costs, which do not add to the 'production value' from the very production value. The mass of 20 gets distributed under several heads and is spent. And the next day a new produce is generated. It will earn money. Out of that new money, new land rent, new interest, new profit — all are distributed afresh once again. And are expended. It happens so every day. It is possible to keep on earning land rents, interests and profits out of the value of the produce.

What will a capitalist think seeing this? He thinks: "My calculations in estimating the cost of production are right". He would also think: "Any production would aptly hand over land rent to the landlord and profit and interest to the capitalist".

But what is the actual 'truth'? Some aspects of the calculations of the capitalist are false. In the example of the cloth, only the components 1 and 2 of what the capitalist shown are real expenses. All the components shown in component 3 are false. They are components not related to the making of the cloth. Nevertheless they originated from the value of the cloth for a different reason.

When a commodity is produced in the context of Master-Worker relationship, a component called 'the surplus labor', constitutes an essential part of the production. That also is the labor of the workers. It is the labor which the master could exploit from the worker. Since this component constitutes a part of the production, it is possible to divide it under several false heads. This is the real secret! It is exploiting and dividing the labor of the workers.

The sum total of all the divisions is equivalent to the component of the 'surplus labor'. Since 20 is the surplus labor in the example of the cloth, all the items such as the land rent, the interest and the profit can divide only that 20 among themselves. None could extract anything out of the 80 of the means of production or 20 of the wages.

Masters extracting some labor out of the workers has been happening for thousands of years, ever since the times of the slaves and masters. This is what all the landlords and the capitalists have been doing.

Undertaking the production of any commodity is an 'industry'. If production of cloth is undertaken, it is the textile industry. If production of liquor is undertaken, it is the 'liquor industry'. If the production of guns is undertaken, it is the 'arms industry'. If production of buses and trains is undertaken, it is an industry too. If drivers are employed to drive the vehicles, it is a different kind of industry. Making any type of commodity is an industry. Finally, if the capitalist organizes agriculture, it is the 'agricultural industry'.

It is the same thing to invest capital in any industry. The capital must come back and get 'surplus labor' along with it. Groups of people who divide the 'surplus labor' among themselves would always be waiting.

The person who invests capital in any business — whether it is 'money lending', 'selling the goods' or any other business — that person is a capitalist. However, the person who gets goods produced is given a unique name 'bourgeois'. The 'capitalist

system' commenced with the beginning of this bourgeois.

In this system, the bourgeois is the magician who extracts 'surplus labor' from the workers! And he is the *daana-Karna*, [a mythological figure well known for his generosity], who distributes that value to all other fellow capitalists in the form of money!

Questions and Answers

1. Are the commodities produced in the industry of a capitalist meant for his own use, complete sale or partly for self use and partly for sale?

A. They are totally meant for sale. The sole purpose of that industry is sale. Out of the thousands of the units of the commodities produced in the industry, even if 1 or 2 units are used for personal use, it is insignificant.

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2. Independent producers also sell a part of their production, don't they? Ramayya, the potter would sell a few pots. Somayya, the shoemaker too would sell a few shoes. A capitalist also does the same thing. Can

we say that only the capitalist undertakes production of the commodity solely for the purpose of sale?

A. Don't ask 'can we say'. We must say so. Even if the potter Ramayya sells a few pots, he would purchase such items as shoes and grains and use them for his own maintenance. The labor of an independent producer like potter Ramayya would be very limited. What remains after using the goods for subsistence is very little. This is not the case with the commodities of the capitalist. They are made out of the labor of dozens, hundreds and thousands of workers. The quantity of those commodities would be in hundreds and thousands of tons. A capitalist who gets lakhs of copies of a newspaper printed ever day, how many copies of the newspapers would he use for his own need? A capitalist who gets 100 tons of cement produced every day, how much cement would he use for his own requirement? A capitalist who gets a thousand blankets produced every day, how many of these new blankets would he use for his own need? Some of the products may not be of any use for a family. Even if one single soap is used every day, it is negligible compared to the 10 thousand soaps made every single day. The entire capitalist commodities are for sale. A 'profit' is earned out of it. All of the goods required for self maintenance must be bought using that profit money. However luxuriously one may spend on one's maintenance, heaps of money would remain. The capital will grow due to that money. The increased capital will bring more profit. There is no comparison between the nature of the sale of the commodities of the independent producer and that of the capitalist.
The first one is for – self subsistence.
The second one is for – amassing money.

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3. How to see the 'surplus value' in the capitalist production?

A. The capitalist will show accounts relating to the commodity. Regardless of whether the accounts are genuine or fabricated, we could assess the surplus value using these accounts. One must add up what is shown as (1) costs of the 'means of production' and (2) the 'wages' of the workers. Only these costs are added to the value of the commodity. Apart from these, no other costs are necessary for the production of the commodity. The land rent, the interest and many such names appear in the accounts. The total sum of all such items makes the surplus value. Out of the fat salary that the capitalist claims, a large bulk of it must be added to the surplus value. If we have

access to the accounts of the capitalist, we can easily find out the surplus value. If we find fabricated costs in the accounts of the means of production, it is possible to find the real costs. We have to add certain portions of those fabricated costs to the surplus value.

4. Won't there be good people among capitalists?

A. Goodness among masters means a little 'kindness'. We find good people even among slave-masters. Yet that slave-master too lives on the labour of his slaves. Not on his own labour. He sells and buys slaves. He treats them with little kindness. We find good people even among landlords. Yet a landlord lives on the labour of tenant farmers. We find good people even among capitalists. Yet they live on the surplus value of the workers. They, however, make some arrangements like drinking water etc. for the benefit of workers in the workplaces. The master's kindness will not have more meaning than this in the context of master-labourer relations. Even a good fellow lives on the exploitation of labour of others and acquires property.★

59. The principal doubt concerning 'price'!

One may get several doubts while understanding the price (the value). The price may also fluctuate depending on many specific contexts. Therefore such contexts would further confuse our understanding. Nevertheless, while trying to understand any issue, we have to first understand the principle applicable to all the conditions (general conditions). The specific conditions only act upon the general context.

There is a common doubt regarding the 'price'. Why not pay the entire value of the labour of the workers as wages and simply add a little more over and above that? What is wrong with this? – This is the doubt!

We must take an example.

Let us take the example of the shirt. The value of its means of production is 80. The wages of the workers is 20. Surplus value

is 20. The sum total is 120. Let us assume that the capitalist would pay a total of 40 instead of 20, as wages to the workers (he may not pay it immediately but only after selling the goods). Let us suppose that the capitalist pays the entire value of labour of workers and simply adds 20 and sells the commodity at 120 + 20 = 140. Furthermore, the capitalist would pay off the land rent and interests and also take his own profit out of this arbitrarily added 20. How can the arbitrarily added 20 be the 'surplus value' of the workers? If a part of the workers' labor value 40 is not paid, it could constitute the surplus labor, but if the 40 is paid in total, how would the surplus labor of the workers still remain? – This is the question! If we cannot answer this question, it would mean that we have not understood anything about 'value' that we have read so far. We must, therefore, try to understand this aspect properly.

Answer: In the example of the shirt, when was it determined that the value of the workers' labor is 40? When the value of the shirt was 120! When the value of the means of the production was 80, out of that 120! The new labour is 40 since the old labour is 80. If a new labour adds to the commodity with 120 value, (if any additional work like embroidery is done on a shirt with 120 value), the 120-value would increase further. But if no new labour is done on the commodity and yet it is sold at a higher value by increasing the value from 120 to 140 without any basis, then it amounts to 'commercial fraud' as it may happen anytime and anywhere. It would be a specific context. Commercial fraud is committed at a higher or a lower magnitude whenever it is possible. When such fraud is committed, that merchant will earn more profit than what is due to him from that commodity. That additional profit comes from the person who bought the commodity. Whenever commercial frauds are committed, the people who bought the commodities lose more money than usual.

Now, we have to see how the value will change if the capitalists who produce the commodity themselves 'add arbitrarily over and above the actual value', instead of committing commercial fraud. Does a single capitalist in a particular branch of

production or do all the capitalists in a given branch of production or do all capitalists in all the branches resort to this act of adding arbitrarily to the actual value? This is what we have to find out first.

It is impossible for a single capitalist to do such a thing. It is also impossible for all the capitalists in a single branch of production to do so. It is possible for all the capitalists in all the branches of production to increase the prices. However, if all of them increase the prices, then that change would be equivalent to the absence of such a change. This means, it is not possible to add some excess to the 'actual value' arbitrarily.

What if one capitalist does it?

If only one capitalist in the branch of production of shirts increases the price of a shirt from 120 to 140, he will not be able to sell the commodity at the increased value. This is because the other capitalists in the same branch of production sell similar shirts at a price of 120 only. That means, no individual capitalist will be able to increase the value of the commodity without any basis.

What if all the capitalists in a given branch of production do it?

Such an act of increasing the 120 arbitrarily will not be possible even if all the capitalists in a given branch of production collude. This is because that a given branch of production will have links with commodities of the other branches of production. A capitalist doesn't exist only as the one who sells his commodities, he also exists as the one who must purchase the means of production from other capitalists. The capitalist of shirts must purchase the means of production from several other branches of production in order to produce his own commodity. If the capitalists of one branch of production have the right to increase the price of a commodity arbitrarily, the capitalists of other branches of production too will have the same right. A principle applicable to one capitalist is applicable also for the capitalists of all the other branches.

If the capitalist in a given branch of production increases the value of his commodity by 50% and sells it, he will have to buy the means of production and means of subsistence at prices increased by 50%.

As a single branch of production cannot have special principles and special rights, it is not possible for a single branch of production to increase the price by adding non-existing value.

What if all the branches of production do it?

If all the capitalists collude, it is possible to increase the prices arbitrarily. If they think, "Let us all increase the prices by 10%," they could do so. In that event, every capitalist will sell his goods at 10% higher price and will have to buy the means of production, goods of subsistence and items of luxury from other capitalists at 10% higher price. That means, this change essentially amounts to as if there was no change. Now let us see what happens if all the branches of production increase the prices arbitrarily.

The real value of the shirt is 120. To add the nonexistent value of 20 to this value, we must first see the percentage of increase. This is because, every capitalist will increase his value at the same rate. We therefore must consider that non-existent percentage of value.

If we add 20 to 120,
how much will it be for 100?
20 ÷ 120 x 100 = 17%

We must assume that every capitalist will add the nonexistent value at the rate of 17%. Prices everywhere form in this manner in the branches of production of means of production and means of subsistence of workers.

When the actual value of 120 of the shirt has increased to 140, the intrinsic components of the 120 also will increase. Now, the value of the means of production of the shirt is not 80, it will become 93 following the addition of 17% more. Likewise, the value of the labour of the workers is not 40. It too will increase in the same proportion and become 47. These two components together will make 93 + 47 = 140. After selling the shirt for 140, when 93 of the means of production are taken back, 47 will be the value of the labour of the workers. In order to pay the entire labour of the workers when the value of the shirt is raised to 140, the capitalist ought to pay 47 and not 40.

When the value of the shirt has increased to 140, even then it does not contain 'non-existent value'. The entire 140 is the value already existing.

After recovering 93 on the means of production and paying

47 to the workers, what else is left? How is it possible for the capitalist to extract 20 out of the 140? Where is room for the 'nonexistent value' in this 140? Then, what is the outcome of arbitrary increase of the actual value? The increased value itself has become the actual value! The form of the actual value has changed. A figure of 120 has changed to another figure of 140, that's all. As there was no room for the land rent, interest and profit in 120, even in 140, there is no room for all these components. To extract these components out of 140, one should be able to extort some surplus value from 47 that constitutes the value of labour of the workers. That means, a part of the 47 should not be paid.

Alternatively, what if the entire amount of 47 is paid to the workers and the value of the commodity is increased to 170? What if a surplus value of 30 is appropriated out of 170? This will be a repetition of the same old story. The increased 170 will become the actual value.

Unless one realizes how illusory it is to add a nonexistent value arbitrarily to the 'actual value', it does not amount to understanding even the alphabets of value. Value is added only through the following two components: (1) through the old labor and (2) through the new labor. When 140 is extended arbitrarily to 170, the value of the means of production will surpass 93. The value of the labour of the workers will also surpass 47. The old and the new labor together will make 170. To pay back the entire value of the workers' labor, an amount of not 47 but more must be given. In that case, the capitalist cannot extract the 'nonexistent value' that he added to the value of the commodity. The entire 170 would be the existing value.

If we consider the example of 'grain' instead of a 'shirt', we will know its parts easily. The value of a bagful of grain is 120. Out of which, the portion of means of production is 80 + portion of wages is 20 + surplus value is 20 = 120. This grain must belong to the means of production and the labourers. But a fourth part of the grain goes invariably to the portion of surplus value. That portion is consumed by those who have not done any labour for the production of grain.

Instead of considering the

value of that grain as 120, if we add 20 more and increase it to 140, even then the value of 140 should go to the means of production and labourers, shouldn't it? But, that 140 too will split into 3 parts. Some portion of that grain would go to the arbitrarily added 20 and it will be consumed by those who have not done any labour for producing the grain.

Arbitrarily added value does not remain without taking a portion from that grain. It grabs some portion from the commodity. 'Adding some value just arbitrarily' is possible with reference to the already produced commodities and it does not happen in vacuum. Some portion from the mass of commodities keeps going to the arbitrarily added value.

Regardless of how many different ways the value of the commodity is increased, the increased value itself will become the 'actual value' of the commodity. That is made out of the two components, the old and the new labor. The capitalist cannot evade paying for the costs of the means of production in total. If a needle is broken, the work would stall until a new needle is brought in. Not even the least bit of the expense of the needle can be evaded. If he evades, the needle cannot be produced at its place of production. Only in the case of the workers, it would be possible to evade from paying for a part of their labor. Because in the value of the commodity there exists a part that is not paid, the capitalist could demarcate some amount under several false heads. What is demarcated this way is not the 'nonexistent' amount, it is the existent amount. If the capitalist demarcated a value of 20 on costs, not only these costs but also a labor of 20 must have been expended on the commodity! Therefore it would be possible to add the 20 to the costs.

If the 'value' is understood correctly, we will not encounter the question that 'if a nonexistent value is added how could it constitute the surplus value of the workers'. It will be evident that it is not possible to add nonexistent value and that nonexistent value itself is surplus value.

The question, 'what is the price of a commodity?' is not important. The fact that rent and interest have been paid and

profit has been secured out of that price indicates that it is not possible to take out all those portions unless surplus value is part of that price. Where land rent, interest and profit exist, it is indicative of the existence of the surplus value. If these names are changed and different names are given, then we will have to examine those names also.

Questions and Answers

1. When the capitalist determines the cost of the commodities, he would invariably add some amount in the name of 'profit' and he would be able to acquire it. How could he acquire it if that 'profit' is not present in the commodity?

A. The portion of 'surplus value' is present in the commodities. The capitalist is able to take it in the name of 'profit'. What the capitalist takes is the value present in the commodity and not the non-existent value.

2. Whatever amount of the value the capitalist adds in the name of 'profit', is it a value that exists?

A. If the commodity is sold at the price fixed by the capitalist, then it is a value that exists. However, caution must be observed here. What we find about price in this book is not enough. On this topic, one must refer to the chapter on *The General rate of profit* in another book of ours *An introduction to Marx's 'Capital'*. One will find answers to several questions there. It is not possible to discuss all that here.

3. The capitalist added a profit of 20%. Other capitalists too could extract a similar profit. One capitalist, however, failed to sell his commodities properly and hence made a profit of only 10%. Does it mean that he suffered a loss?

A. No. Incurring loss means not getting even 1% profit. Securing 10% profit does not mean loss. The fact that he did not get as much profit as others got means, his profit has gone down. Since decrease in profit is loss, it is loss for him in that sense.

4. A capitalist really suffered loss. Have the workers really offered a surplus value?

A. Certainly they have. The workers have done the labour necessary to produce the commodity, haven't they? Have they not made the commodity? Surplus value is embedded right within the commodity. If not the capitalist, whoever bought the goods at a lower price got the

surplus value. Workers had done the labour a long time ago. There would be different reasons for the loss of the capitalist. It does not mean workers did not do labour. Their working day includes surplus labour time. It is not the fault of the workers if the capitalist suffered a loss. Workers are not responsible for that.

5. When do the workers suffer a loss?

A. What kind of a question is this? Workers suffer loss every day. When the master evades paying wages completely, it would be a complete loss.

6. The price of a commodity is 10. If it is sold at that price, the merchant would get a mercantile profit of 2. But, the merchant sold it for 11 fraudulently. As a result his profit increased by 1. In what ways did the merchant get his profit?

A. The value of the commodity is 10. If it is sold at the same price, profit would be 2, which comes from the surplus value of the workers who produced the commodity. The profit 1 which the merchant got by selling a commodity for 11 instead of its original price of 10, the merchant got that 1 from the purchaser of the commodity. The purchaser might be a worker or a capitalist. The purchaser paid 11 for a commodity whose value is only 10 and he incurred a loss of 1. This will be the profit for the merchant. If the purchaser was a worker, 1 would diminish in his maintenance. If the purchaser was a capitalist, 1 would diminish in his profit. Profits which are secured by selling commodities at their actual prices come from the surplus values of the workers. Profits secured by following fraudulent practices, such as weighing commodities less and grabbing higher prices, come from the purchasers of the commodity.

7. What is it that a capitalist 'adds' to his 'costs'? Should we call it 'profit' or 'surplus value'?

A. The capitalist calls it 'profit'. Because land rent, interest, taxes, merchant's commission etc. are listed as 'costs'. He adds something more under the head 'profit' because he thinks he ought to get profit. But, we need to know about 'surplus value'. We need to consider only two kinds of costs out of several costs which a capitalist shows. They are (1) means of production and (2) wages of the worker. The remaining costs constitute surplus value. Hence, we calculated surplus only. Profit is a portion in surplus value. The entire surplus value is not profit.

8. Capitalists incur losses on some occasions, don't they? What then, is wrong if they take profit?

A. If a capitalist incurs loss, it does not mean he lost his own labour. What he receives in the form of profit is not his own labour. Workers leave the capitalist workplace only after they produced the commodity. It is not the fault of the workers if the capitalist could not sell his commodity. It is a vulgar argument to say that a capitalist can take profit because he incurs loss. The workers lose their surplus labour on both the occasions: when the capitalist incurred loss as well as secured profit. This means, workers always incur loss. This is the real point which we ought to understand! ★

60. Investigation about Value
began 2 thousand years ago!

"What is the 'value' of a thing? Why do we get 'money' when we give a thing? What is money?" – do you know what kind of questions are these? Today these questions are quite simple. The value of a thing is merely the total labor spent on it. When we give a thing, we get money in lieu of its value. Money is the singular means to measure the value of the things with their own value. In this manner, we can give answers to those questions.

These questions, however, were the toughest questions in the past. A great number of intellectuals struggled to find answers to these questions but lost their battle after thinking again and again and again.

A few of them who attempted to understand 'profit', speculated as it appeared to them.

"Tools will do a lot of work. Any amount of profit could be earned out of these tools," said a few!

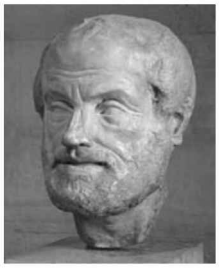
"When a thing is sold, those who buy the thing also provide the profit," said a few others!

Besides those who talked such nonsense, there were others who spoke a few wise words. Although these people did not understand what 'value' was, they nevertheless said a few meaningful words once in a while on matters within their

comprehension. Based on a few sensible thoughts which one gentleman proposed, another extended them further. Thinking is always a good practice. Others too will discover yet other good points.

Regardless of which gentleman said which good words, all of them weighed pros and cons and finally concluded that "Land must get land rent! And capital must get interest and profit!" They were not aware of anything other than that.

The intellectuals of those times (even these times) would learn only from the landlords, only from the capitalists. They would learn only from the merchants and money lenders. They repeat words pronounced by the others! There is no difference in essence.



Aristotle

Ricardo

In this manner, the quest for understanding 'value' that began with the Greek thinker Aristotle (384 – 322 BC) and proceeded through the English intellectual Ricardo (1772 – 1823) continued over a period of two thousand years.

Ricardo said many good words as compared to his predecessors. 'Value is only labor. If not for labor, how can there be value', he said. This was excellent comprehension. If we understand this more appropriately, moving in the same direction, we could progress until grasping the concept of 'exploitation of labour'. Though Ricardo said those few good words, he himself plunged into the chasm of uncertainties. He encountered several doubts on the thoughts he expressed himself. 'If value is labor, the part that is transferred from the commodity into the hands of the capitalist in the name of 'profit' must also be labor, is it not? If the capitalist too toiled, then it should take the form of the 'wages', but why is it taking the form of 'profit'? Is profit too the capitalist's labor?' Ricardo deliberated and was thoroughly puzzled.

A while later, however, his puzzlement cleared up. It is the capital and not the capitalist that gets profit, isn't it? Then, when

the capital was invested, shouldn't it earn a 'profit'? Who will lay capital if they don't get profit? If no one invests capital how are goods produced? Without goods how will people live? All will be topsy turvy without the capital earning a profit. This way, Ricardo suppressed his bright questions and puzzles himself. Having arrived all the way up to the door of the 'truth' where he could grasp 'exploitation', he quickly retreated. 'Capital must earn profit. Without profit capital won't exist, will it? Since the capital must earn profit, what goes to the workers must reduce, there is no escape," he concluded with a deep sigh.

While saying that "capital must earn profit", Ricardo did not pronounce any thing novel as compared to his predecessors. However, since he pronounced that there existed a relationship between profit and what was given to the workers, his reflection turns out to be a wonderful observation! With this clue one may cover any distance.

Do you know who did finally understand 'value' correctly?

Questions and Answers

1. The capitalist labours a lot in setting up industries and in running them, doesn't he? Why should we consider that he doesn't work? Why should we call the profit he receives 'exploitation of labour'?

A. If he does labour, he has to take wages. He could also get the surplus value related to his wages. If a person does labour, he will have the reasonable right to receive its value. We don't call his wage exploitation of labour. What the capitalist receives is not simply wages. He receives rent, interest, profit and everything else! We call those incomes exploitation of labour. The wage which the capitalist receives is not something tiny. Not even the salary which he pays to his manager. The capitalist takes a salary which is 100 times more than what he pays to his manager. He himself decides his salary. Large part of his salary is the surplus labour of the workers. Those who ask "won't the capitalist work?" should also ask why the capitalist also earns a 'profit' in addition to the 'wages'.

2. Is there a difference in the duration of work expected to be performed in a day by the workers and the independent producers?

A. Certainly there would be a difference. Independent producers have no

master. Therefore, they must perform only that much labor to support comfortable life sustenance. In a day, they may or may not perform more work than what is needed for sustenance. On a day when more work is performed, more means of production are spent. More products than before are produced afresh. There won't be any rule as such that it should be the same every day. This is not the case, however, with the workers. They have a master. For the master, the workers inevitably must perform surplus labor every day. It is the same thing with the slaves and the feudal tenant farmers.

3. Workers have holidays. What about holidays for slaves and feudal tenant farmers?

A. Holidays for slaves? They must work day and night. They will have a holiday only when they die! About feudal tenant farmers? They sleep at least during nights.

4. What sort of money used to be there during the days of slaves?

A. Coins made of silver and gold. Not paper notes.

★

61. Ignorance of Intellectuals!

The intellectuals of the previous times, however, did not have the correct understanding of 'labor'. [A great many people do not have it even today. Even the university professors lack it. That is a different matter nonetheless.]

All of the old economists have had the erroneous notion that "the tools also perform labour". [This notion exists even today.] How do people with such notions understand what is earned in excess of the 'capital'? They think that 'tools yield that excess'. No intellectual of the past ever thought if that 'excess' would come through the workers. "Won't the capitalist pay wages to the workers? How

can the surplus be earned through the workers? The tools alone do a lot of work. Any amount of surplus must come out of the tools." They thought mostly along these lines.

Just as the common people considered, the intellectuals too believed that 'Land is landlord's property'. [Even today the professors believe in this and defend it.] For those who believe so, a landlord taking land rent appears quite natural and justified.

The intellectuals of the past believed whatever they saw in their vicinity as appropriate in whichever form they found them. "How can such people be considered as intellectuals?"— the question arises. They are considered so because they use logic when they argue. Their logic would be as follows: "The landlord gets land rent. Why so? Because the land belongs to him. Do those who do not own the land earn the land rent? They don't, do they? Only those who own the land get land rent. Those who pay rent do so because they are obliged to pay. Therefore, it is appropriate to get land rent for the land. Since it is appropriate, it happens that way," the intellectuals of the past deliberated. The same is the situation even today.

Is there any difference between what an intellectual of this kind believes and what the common people believe? Nothing. The intellectual of the past also thought in the same way as the landlord thought and as the tenant farmer thought. The intellectual believed that the assumption that "the land must get land rent" was a great tenet and that he made this grand discovery.

The intellectual witnessed that those who invested capital earned profit. The intellectual witnessed that those who lent loans earned interest. For him, all of these were right things. They happened because they were right things. Or else why would they happen? Whatever happens in the society is right. Ownership was right. Servitude was justified. The riches and the penury were all right. These were the deliberations and understanding of the intellectuals of those days!

In the times farther than this, like the slave masters, the intellectuals of those times too believed that "the slaves were the property of the slave mas-

ters". For the intellectual of those days slavery was a right thing since slavery was a right thing in the view of the slave master. That intellectual too was a slave master.

Starting from those days until today, 'the land rent, interest and profit' were all quite justifiable for all of the intellectuals.

These views are, however, terribly erroneous! These errors are being perpetuated due to 'faulty labour relations'. Do you know who pointed out these erroneous views and discovered the fact that exploitation of labour has been taking place?

Questions and Answers

1. "Tools also perform labour," do the intellectuals still think this way?

A. 99 out of 100 still think that way. Since we cannot say 'a hundred out of hundred', we say 99. In fact, the so-called intellectuals do not pay attention to anything other than what they studied. They don't care for anything else. The mathematics teacher teaches the interest calculations brilliantly in terms of simple interest,compound interest and so on. However, he would not at all know what interest is. The science teacher explains skillfully what gravity of earth is. He, however, doesn't bother who has or does not have the land. No intellectual knows whether or not the 'master and worker relations' are rightful. A singer renders lyrics of tragedy with utmost talent. An artist sketches the caricature of the poor people with great skill. However, the tragedies and the poverty do not touch them. On the contrary, they appear quite natural to them. It is enough for them to sell their songs and pictures at higher prices? They also seek awards and felicitations. To know if "tools also perform labor," it is irrelevant to read Bhagavad-Gita. One would open his eyes if he reads Marx's '*Capital*'. All these intellectuals, however, have been graduated only through the capitalist education. These artists have been perpetuating the arts of the times of slave masters. They do not appreciate 'logic'. In reality, these intellectuals do not use their brain. They are stunted at what was taught to them in their early classes. The entire education of the exploiting societies glorifies and defends the relations of exploitation. Therefore, higher degrees and higher grade jobs should not be associated with intellect. Even the university professors do not know the difference between the tools and the workers.

2. The landlord says "the land is my property. Land must get land rent". The capitalist says "the means of production are my property. I must get interest and profit". If the intellectuals too reiterate the same, doesn't it amount to repeating what the landlord and the capitalist say? Shouldn't there be independent analysis by the intellectuals?

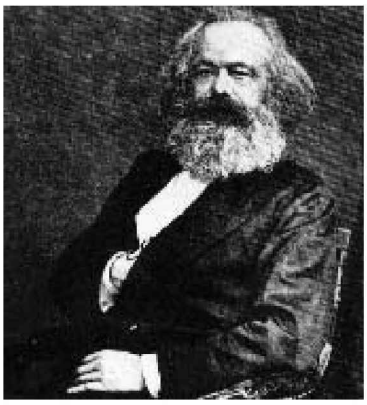
A. Intellectuals hail also from the working class. The intellectuals of the exploiting class need not analyse exploitation. Only the intellectuals of the working class are obliged to do so. They face daily all types of problems that originate out of exploitation. They wage struggles on immediate problems. But, they do not take note of the basis called 'exploitation of labour'. They do not focus on human relations. They ignore their responsibility as intellectuals of the working class. Still the situation is like this. They will learn some day in future. Superstition is another name for ignorance!They still hold superstitious notions.

3. Intellectuals make very good suggestions. They say, the environment should not be destroyed; there shouldn't be corruption, human rights should be protected and so on. They say many such good things. Do you say that they are irresponsible?

A. Those who say that 'environment should not be destroyed' must first know who is destroying the environment. All the processes of production are in the hands of the capitalists. First, one should raise the question, 'why is environment destroyed, is it because of the actions of the capitalists or workers'? The actions of capitalism that aim at multiplying profits destroy the Nature. In such a situation, what should those people, who talk of 'environment' do? They should understand capitalism and criticize it. Similarly, what is 'corruption'? Taking bribes etc. by politicians from the capitalists. Why do capitalists give bribes? From where do they pay those bribes? Do they pay lakhs and crores as bribes out of the fruits of their own labour? Those who shout at 'corruption' must first be angry at capitalism. Similarly, those who talk of human rights must understand which human beings are depriving which human beings of their human rights? Intellectuals who wage struggles against the problems do not turn their faces towards the causes of those problems however striking they are. They don't utter a single word against exploitation of labour. Outwardly, they may give sermons. Are such intellectuals responsible? ★

62. Who Discovered the secret of Exploitation of Labour?

Exploitation of labour has been taking place for several millennia. The human intellect could grasp the fact of exploitation of labour two thousand years after an inquiry into the 'value' began. Finally in 1867, the act of understanding exploitation of labour was accomplished by Karl Marx, an economist from Germany.



All the intellectuals of the past including David Ricardo could find nothing wrong with land rent, interest and profit, whereas Marx proved them to be 'false incomes'. By means of his logic and value calculations he proved them to be forms of exploitation of labour. To prove this, he wrote a four-volume work titled '*Capital*'. In this work, he discussed all the arguments of the past intellectuals. He did everything to praise or criticize whoever deserved and wherever necessary.

Grasping the fact of exploitation of labour implies advocating its elimination. It implies advocacy of transformation of relations of exploitation.

Marx's explanation is as follows:

Value means nothing but labour. However, no specific labour does become in itself value. Only due to exchanges, specific forms of labour convert into value calculations.

It is human beings who perform labour; not the tools. Land is not made of labour. It does not possess any value. It is nobody's property.

All human beings have the

right to use land by performing labour. They need not pay any value to the land.

Master-Labourer relations are faulty social relations. Faulty social relations began due to exploitation of labour.

In the context of Master-labour relations, the labourers do not get fruits of their entire labour. Large part of it goes to the Master. That part is 'surplus labour'.

'Wage' is not the 'value of labour'. It is merely value of labour power, necessary for the maintenance of the labourers.

In order to produce anything, human beings require only 2 things: (1) means of production. (2) the living labour of human beings. No third element is necessary. Means of production does not mean 'Capital'! Neither 'capital' nor 'capitalists' are required to produce anything. Only means of production and human beings who perform labour are necessary.

The elements like land rent, interest and profit are not required to either to produce or consume things. They are faulty aspects unconnected with production.

The surplus labour of the workers is distributed under false heads among the groups of people who do not perform any labour.

Owing to exploitation of labour, all the means of production have become the property of the class of exploiters. As a result, labour relations among human beings turned into antagonistic relations. Human beings are split into antagonistic classes. It means that all the groups who live on the surplus labour of the labourers are living on exploitation of labour.

Land is a natural substance. Landlord's right over land is a false right.

All the means of production which appear as the property of the capitalists have been and are conversions of surplus labour of labourers of many generations.

Right over the land and right over the capital are not the rights which were acquired due to the labour of the masters. They are false rights secured through exploitation of labour.

The working class has the legitimate right to confiscate any moment the means of production which are under the possession of the masters.

All sorts of states so far

existed are the ones which the exploiting class established. State is the committee which manages the common affairs of the exploiters. It retains exploitation of labour.

For the human beings to live, it is not necessary that we should have capitalists who invest capital. 'Capital' means 'means of production' + 'means of subsistence' of people who do labour. These 2 elements are readily available in society. If human beings want products, it is enough if they do labour on the means of production while consuming means of subsistence. They don't need capitalists who invest capital. In fact it is a lie to say that they invest capital. (We have seen this point in the chapter '*Capital is a big lie*').

All the masters must do labour along with the labourers. Then all people would live on their own labour. The faulty forms of income namely land rent, interest and profit, faulty property rights and faulty labour relations would disappear. The antagonistic classes that arise from the master-labourer relationship would disappear.

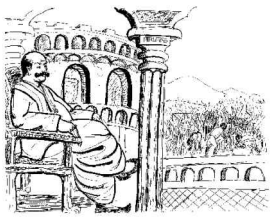
The fact that exploitation of labour is taking place implies that the human relations are upside down. We have to turn them straight. The working class has to carry out this task. The class of masters is not inclined favorably to stop exploitation. Moreover, it tries to suppress the working class struggles. Therefore, it is the need of the working class to liberate itself from the exploitation of labour. It has to achieve its liberation by means of struggles against the class of masters. When the working class eliminates exploitation of labour and the related culture by means of its struggle, it would amount to 'communism'. The working class ought to form a party (a political organization) to achieve its objective. The party which would accomplish Communism is Communist Party. The working class has to carry on struggles through such a party.

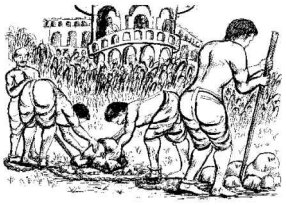
When the working class eliminates the exploitative sources of income, the exploiting class would lead the life of performing labour for its maintenance. Non-antagonistic relations of labour would emerge. This is Marx's explanation. This is not meant for any 'moral preaching'. Nor is meant to uplift the society. This is like telling the

working class the truth of exploitation of labour by the class of masters, which he realized.

Questions and Answers

1. Are you able to understand what exploitation of labour is?





A. Yes, I am, but still there are some doubts.

2. Is exploitation of labour a good thing or a bad thing?

A. It is good for those who exploit others and bad for those who are subjected to exploitation.

3. Can't there be something which is good for all?

A. Why not? Every person must live on their own labour. Then no one would be an exploiter.

4. How should it happen?

A. We have to see the remaining lessons. Further, we have to read 'A*n introduction to Marx's 'Capital'* also.

5. What is this?

A. The guy who punishes the slave is making the slave touch his feet. Touching the feet as a mark of respect must have begun in slave-owning society.

6. Members of a family work on a piece of land and live on their own labour. Won't that land be the property of that family?

A. No. It won't be. One can use the land by performing labour on it since there is no scope for anyone to live without using the land. But neither an individual nor a family has any right of inheritance over the land. ★

63. Productive and Unproductive labours!

'Exploitation of Labor' existed in the past societies too. It is not specific for only the capitalist system.

However, there are 4 main aspects that are specific to the capitalist system. (1) Productive-Unproductive distinction within labours. (2) Competition among capitalists in selling their commodities. (3) Tactics of changing the forms of commodities. (4) Crises. Though there are many other oddities, not knowing these issues amounts to not knowing the capitalist system.

We know that 'money means labor'. Whether the old labour of the means of production needed for making of the goods or the new labor performed by the workers at the work place, all of that constitutes labor. Since 'labor' belongs to the workers of successive generations, 'money' also belongs to the workers.

However, there is a difference between these workers. This is not the difference between the 'manual and intellectual labor'. This difference corresponds to the difference between 'Productive and Unproductive labor'! This difference exists within the manual as well as the intellectual labor. This difference is applicable only to the capitalist system. This is the difference that exists in the view of the capitalists. Before examining this difference, let us unveil its outcome rightaway. This outcome is incredibly strange!

All the workers perform labor. Yet, all the money existing in the society belongs only to the labor of the Productive laborers not that of the Unproductive laborers! When heard for the first time, this aspect appears to be unbelievable. Once the details are understood, our disbelief transforms into amazement: "Oh, this is the mystery!"

All the workers perform labor under their masters. They also perform surplus labor and are subjected to exploitation of labour. However, one that boosts the master's riches is productive labor. One that spends the master's money is Unproductive

labor. In other words, only the productive, not the Unproductive, labor converts into the money for the master.

Both productive and Unproductive labor exists at the work place of the capitalist. At the capitalist's home only the Unproductive labor exists.

Let us examine the details.

At Chalapathy's industry, the cloth is made every day only for sale. Let us recall the example of the cloth that we have seen in the previous chapters.

There are 3 different components in the value of the cloth.

(1) Means of production	80 (Old labor)
(2) Wages	20 (New labor)
(3) Surplus value	20 (New labor)
The value of the cloth	120 (Total labour)

The cloth was sold. The cloth has left and a money of 120 arrived. The entire labour consisting of old and new labor converted into money.

The 80-money invested on the means of production was recovered.

The 20- money invested on wages was recovered.

The 100- capital, a sum of those two components was recovered.

However, what the capitalist wants is not just that the capital should be recovered. A sum larger than that must be obtained. The capital must bring back a larger sum of money than its value.

This is the consequence of selling of the cloth. The capital of 100 brought an additional amount of 20 along with it. As a result, the money of the capitalist increased.

The labor that produces 'commodities' under the capitalist is – the productive labor. When the commodities are sold, money is earned. It consists of the 'surplus money'. In this manner, the labor that augments the capitalist's money is - the productive labor. And those workers are – productive labourers.

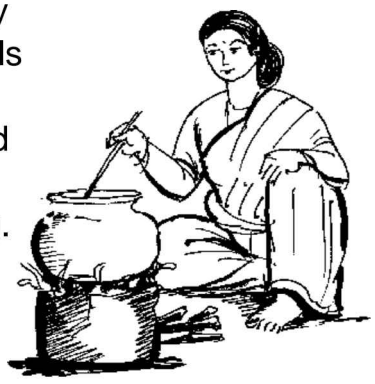
Next, let us examine the Unproductive labor. These workers too work under the masters. However, neither their labour nor the products which they produce exist as 'commodities' for the masters.

To take a look at the Unproductive labor, we should first

visit the capitalist's household. The relation of the household workers with the master is not identical to that with the capitalist. This is 'a relation with the householder' (master). That master may or may not exist as a capitalist outside of the house. It is irrelevant to the household workers. A person who exists as a worker outside may employ servants at home. In that case, that worker becomes a 'master' to the household workers. Therefore, the relation of the household servants with the members of the household is NOT the one with a 'capitalist'.

The master Chalapthy has 4 workers at home, one cook, one domestic help, one gardener and one cart driver! Let us take the cook. Her name is Rajamma. Whatever happens in her case also happens with other workers.

Rajamma cooks in that house. The raw materials, tools and auxiliary materials all are required for cooking. All of them together make the means of production to carry on the labour of cooking. Let us suppose that the costs of the means of production are 3. Rajamma's wages per day are 2. Let us suppose that the value of the labor performed by Rajamma in a day is 4. (we must always assume the 'value of labor' to be higher— at least double— than the wages).



These are calculations of a single day. The costs of cooking in 1 day = Means of production 3 + wages of the cook 2 + her surplus labor 2 = 7. People of the household, however, did not spend 7 on the cooking, they spent only 5. The people of the house don't sell the cooked dishes outside. They are not 'commodities'. They did not get the foodstuffs prepared for sale. They use the dishes for their own need. All these items are consumed inside the house.

What has happened here? How much money did they spend on the cooking? They spent the means of production 3 + wages 2 = a money of 5. Since the cooked dishes were not sold, that money was not recovered. That money was spent as a use value.

Where did the money 3 + 2 = 5 spent by the master on the cooking come from?

Let us say, that master is a capitalist who gets the cloth made for sale. We have seen that through the cloth an amount of 20 was earned as surplus value. Out of this amount, his industrial profit is 12. That profit is his income. He would spend on household needs out of this profit only. For the sake of simplicity, let us assume that the entire surplus value of 20 is in his possession.

[In case more people share the surplus value, each of them would spend out of their own portions on the home needs. Whether it is the cloth capitalist alone or all of them together, only the surplus value of 20 can be used. We must therefore only consider that 20. We must consider that the expenses incurred in the house of Chalapathy as the expenses of all of them.]

What is the name of Rajamma's labour? Will her labour yield surplus value to the master or not? We will see these things in the next lesson.

[There are no questions in this lesson. We will have questions only after learning some more points in the next lesson.]

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64. Do Unproductive workers give surplus value?

The cook at Chalapathy's home performed labor of 4 and received only 2 as wages, didn't she? What about her 'surplus labor'? What happened to it? Did it go to the family of the master? Certainly it did. However, it was appropriated as cooking labor, not money. It was appropriated as the 'use value' as needed by the master's household.

That family appropriated a cooking labor of 4 for money of 2. That means a 'surplus labour' of 2.

Those dishes, however, were not 'commodities'. They were not sold outside. The costs of the

means of production used for those dishes were not recovered. The wages were not recovered either. The owner procured 'surplus labour' but not as money. All the costs of the cooking were spent in the form of cooking labor required for the family. The labor thus spent is 'Unproductive labor' for the master who is a capitalist. That means the labor that 'doesn't produce'. Doesn't produce what? A labor that 'doesn't produce money'. It is the labor that doesn't convert into surplus value although it gave surplus labor. It is the labour that has not increased the initially spent money.

The labor of the cook produced all the dishes. Nevertheless, since the dishes haven't gone into sale, for that reason, that labor became Unproductive labor. For the master, the cook is an Unproductive worker. All the means of production spent for the cooking are 'Unproductive costs'.

That family needs again fresh dishes the next day. Since the money of the old dishes won't be coming back, fresh money will be required. In the process of production that is carried out outside the house, new cloth (new commodity) must be produced through which new surplus value must be earned. Out of this, the master will spare new money towards the household expenses. In that case, he will again get 'a surplus labour of 2' afresh. All the dishes will be consumed again. The needs of the house will be satisfied again. The master will not recover the spent money. The money will not increase.

If the same cook worked in a hotel run by a capitalist where the food items are sold as commodities, her surplus labor will be appropriated by the master as surplus money. There she will be a productive worker. This means the labor which is Unproductive at one place exists as productive labor at another place.

All the other servants working at the master's home also are Unproductive workers like the cook. The house gardener and the cart driver too are Unproductive workers.

Whether or not the dishes made at the master's house were sold and he earned money out of the dishes is of no concern for the cook. She performed a

labor of 4, earned only 2 as wages and lost 2. This Unproductive worker too was subjected to exploitation of labor. That means, what befalls the productive workers also befalls the Unproductive workers.

A question: Nonetheless, hasn't the cook earned money of 2 (wages) in lieu of her labor? Is it not that her labor transformed into money? No, it is not. As her surplus labor did not go into sale, the labor that she obtained as wages too did not go into sale. No portion of the labor 4 she performed transformed into money. Yet, she procured money of 2 as wages. Where did that money come from? That money 2 was derived out of the productive workers' surplus value of 20 appropriated by the master. The master spared 2 out of this surplus value and paid for the wages of the cook. The cook obtained the money in this manner, but not through her labor transforming into money.

Another question: The value of the cook's labor is 4. She, however, received only money of 2 as wages. There was initially an income of 20 in the master's pocket. That is the surplus value of the productive workers. If the master paid off all the labor value of the cook, a sum of 4 will be gone from his pocket leaving behind only 16. But, as the cook received only 2, a total of 18 were left in the master's pocket. If the cook received an additional 2, the money in the master's pocket would have been reduced further leaving only 16 behind. Now that there is 18 remaining, isn't 2 of this amount actually belongs to the cook? Indeed that the dishes made by the cook were not sold. Never-theless, the money 2 that should have gone to the cook is still in the master's pocket, isn't it? Therefore, isn't the same as the cook's surplus labour appropriated by the master as money of 2?

Answer: No. This is because the dishes made by the cook haven't been transformed into money. The 'component of the surplus labor' embedded within the dishes will not trans-form into money by itself. If the master appropriating the money of 2 of the cook's surplus labor is true, that money should be visible independent of the surplus labor of the productive workers.

This is how it should be visible: Initially, there was an

income of 20 in the master's pocket. He took out an amount of 3 out of this money towards the means of production for the cooking. Let us disregard the 3. Let us consider only the cook's labor. What was the amount of 20 that initially existed in the master's pocket? That was the surplus value of the productive workers. He took out an amount of 2 towards the wages of the cook. Still 18 were remaining. What was this 18? This amount too was the surplus value of the productive workers. If the surplus labor of the cook was also appropriated in the form of 2 - money, that amount should be existing beside the 18 separately. That means, there should be an amount of 20 in the pocket again. Did it happen that way? No. If we suppose that an amount of 2 belongs to the cook out of the 18, then we will see that the surplus value of the productive workers is reduced by 2.

These many calculations are not necessary. If the master appropriated an amount of 2 out of the surplus labor of the cook, a sum of 20 + 2 = 22 should be in his pocket. We can but find calculation for only 20 money, not 22.

What actually happened was the following: as a consequence of the cook's surplus labor, the master's 'money did not increase', but his 'costs decreased'. The entire household labor is a process of spending the income (money). For any kind of work to happen, whether it is cooking, gardening, driving the cart or any other, the money already existing will be spent. What is the meaning of appropriating a cooking labor of 4 money, for only 2? That means an amount of 2 is not spent but an equivalent cost is saved. A labor of more money is obtained for a smaller amount. All the appropriated labor has been consumed as cooking labor. The household expenses are also reduced as a result of the surplus labor of the other servants as in the case of the cook's surplus labor.

In the case of the productive workers as well, labour of higher cost is obtained at a lower cost. However, all the costs invested as capital will be recovered as money and additionally, a surplus money also will be recovered. In this manner, the initially spent money will increase. More money out of less money!

In the case of the Unproductive workers, the initially invested money will not be recovered. It will be spent up. Instead, not only household services equivalent to that money but more services will be available. More household services with less money!

The money of the master will increase due to the productive workers. Expenses will be reduced due to the Unproductive workers. This is the outcome of the appropriation of surplus labor at both places!

Another question: Hasn't the salary of the cook been paid from the surplus value of the productive workers? Does this mean that the Unproductive workers share the surplus value of the productive workers?

Answer: No. Getting a doubt of this nature is an indica-tion that we are not thinking properly. Why did the cook get wages? Because she performed labour. She performed labor and in lieu of her labor she took wages. It is not her concern whether the master paid the wages out of his own labor or out of the labor exploited. She took the wages since she performed labour. She also lost the surplus labour. Therefore, it is not that she consumed the surplus value of the productive workers.

The illusion of the wages: The question of the wages is quite an amazing question! When the master pays wages to the productive or Unproductive workers, it appears as if he is taking their labor and offering his own labor (his money) to them. This, however, is an absolute myth at both the places!

Wages for the productive workers: Because labour goes into sale, the wages of the workers are only a part of the money obtained by selling their labor. That was not the money of the master, not the labor of the master.

Wages for the Unproductive workers: the master would take the labor of the workers and would spare a part of the productive workers' labor (out of their surplus value) and would pay it as the wages of the Unproductive workers. That was not the money of the master, not the labor of the master.

When the wages are paid, whatever the context, the wages are not the master's labor. Nevertheless, the context of wage payment to workers

appears as if there was an 'exchange', a fair exchange, taking place between the labor of the master and that of the workers.

In the example of the cloth, what was the total amount of the surplus labour the capitalist appropriated from the productive workers and the Unproductive cook?

From the productive workers - 20 (as money)

From the Unproductive cook - 2 (as use value)

Total surplus labour…... 22

This master would pay wages of the household gardener and the cart driver from his own income. He would appropriate surplus labour from them too.

Let us suppose that the cook Rajamma works also at a different house in addition to the capitalist's house. The second house belongs to an engineer. He is a productive intellectual worker employed by a capitalist. The wages he earns are his own labor. He too would lose 'surplus labor' to the capitalist. Rajamma working at the capitalist's household is an Unproductive worker, isn't she? Likewise, she would remain an Unproductive worker even when she works in the house of a productive worker. The productive worker is her master. Let us suppose that here too her labor is 4 and her wages are 2. In that case, it would mean that the productive worker who is the master now is extracting a surplus labor of 2 from the Unproductive worker. That means, although both of them are workers, when they are in 'a master and laborer relationship', the master would indulge in an invariable labor exploitation.

There are also instances where Unproductive workers work for other Unproductive workers (we shall look at them later).

Questions and Answers

1. A female cook goes to others' home and cooks for them. Is her labour necessary for the preparation of foodstuffs?

A. Certainly necessary. Foodstuffs are possible only when she performs labour on the raw materials. If the foodstuffs are sold, their value would be a combination of old and new labour. Because the foodstuffs are not sold, there won't be value calculations.

2. 'What is 'productive labor'?

What is 'Unproductive labor'?

A. One that produces 'commodities' at the capitalist's industry is productive labor. One that adds more money to the initially invested money of the capitalist is productive labor. One that reduces the expenses in the process of spending the income of the capitalist is Unproductive labour.

3. The initially invested money of a money-lending capitalist also increases. The money of 100 given out as a loan secured an additional money of 5 as interest while returning. A worker works with the capitalist as a clerk. He looks after the matters of money lending. Hasn't the money of the money lending capitalist increased because of the activities of the worker?

A. No. This worker is an Unproductive worker. His surplus labor will reduce the expenses of the money-lending capitalist. The interest of 5 appropriated by the money lender is part of the surplus value of the productive laborers working elsewhere. Those productive workers are those who work for a productive capitalist to whom the money capitalist lent money. Or if a merchant-capitalist borrows money, it is those productive labourers who produce the commodity that the merchant-capitalist sells. We have to see who borrowed money and what they did with that money.

4. Do productive workers work at the house of a productive worker?

A. No such relation exists. People who work in a house are Unproductive workers.

5. Do Unproductive workers work in the house of an Unproductive worker?

A. The household servants are invariably unproductive workers. The master of the household could be a productive or Unproductive worker outside the house.

6. Is there any difference between the means of production spent in productive labour and the means of production spent in unproductive labour?

A. There won't be any difference in the nature of means of production. The difference lies in the relations in which things are produced. The cost of means of production spent in a hotel is productive expenditure. Their value is not spent out. It always keeps returning. If the same means of production are spent at home, it is an unproductive expenditure. Here, the means of production as well as their value are spent

out each time. A raw material or a tool is considered as either productive or unproductive depending on the context in which it is spent.

7. Do unproductive labourers give surplus value? What is the brief answer to this question?

A. They don't give surplus value but give surplus labour.

8. If the members of a household do all the household chores, will it be labour? What kind of labour it is?

A. It is labour. To know what kind of labour it is, see the lesson '*Family Labourers*'.

9. Is there any name for the labour performed by *Independent producers*?

A. We will find an answer to this in subsequent lessons.

10. How to achieve the liberation of unproductive labourers? Productive labourers work for the capitalists, where they are found together in large numbers. All of them can stand united as one. How can domestic servants fight?

A. Domestic labourers can also form unions and lay down certain conditions related to wages, working hours, working conditions etc. But the system of domestic servants should not exist permanently in any society. Changes must happen in such a way that members of each household can do their own housework. Unless surplus value from the productive workers stops going to the masters, the system of domestic servants does not cease to exist. This means, the liberation of unproductive labourers is dependent on the liberation of productive labourers. We need to know much more about this.

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65. Unproductive labour at the work place of the capitalist

The labour of the household servants of the capitalist is something that is certainly required for his house. Cooking labour is required for preparing food-stuffs. Gardening labour is requi-red for plants to grow in the garden. All these are types of labour required for making of the products. However, these

products do not go into an exchange, and for that reason, these types of labour become Unproductive labour.

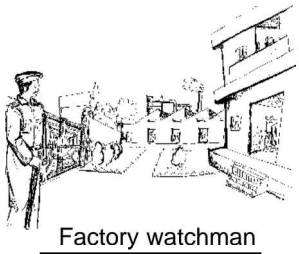
The reason, which we are going to see here, for considering a particular labour as unproductive labour is different.

There are a few types of labour that are not related to 'making products'. Any labour of this nature becomes Unproductive labour. They too do not go into exchange. All such Unproductive costs are drawn from the surplus value of the produce made at this work place.

At the work place of the capitalist, the work performed by the supervisors and managers is of 2 different kinds.

1) The labour of supervision or organizing involves making all the arrangements necessary for the production. This comes under productive category.

2) The labour of control over the workers. This is not necessary for the production. This becomes unproductive.



Factory watchman

At the work place there will be 'watchmen' at different points. This labour of security is Unproductive labour, not necessary for the production.

At times, there could be legal disputes between the capitalist and the workers. The expenses such as court expenses and the lawyer's fee are Unproductive expenses. If the judge is offered a bribe, it too becomes an Unproductive expenditure. In this manner, there are a few Unproductive expenses at the work place. These costs are drawn from the surplus value of the commodities.

While calculating the 'surplus value', we have to include all such expenses which are spent by the capitalist.

Unproductive expenses in the Government organizations:

The Government is also a capitalist. The Government too runs a few productive industries. It sells those products. For example: electricity, water supply, running buses and trains etc. It earns a 'surplus value' through them.

Apart from these, the Government also runs a few Unproductive organisations.

The Government runs a few free public hospitals and free public schools. It doesn't collect fees from the patients and students. The Government meets the expenditure of the hospitals and the schools from taxes which are its source of income. These tasks of managing free hospitals and free schools only add to the costs, but not earn money for the Government. These costs therefore are Unproductive labour. All the people employed at the free hospital of the Government, including the physicians, are Unproductive workers.

Likewise, all the people working in a free school of the Government, including the teachers, are Unproductive workers. In the houses of these Unproductive physicians and teachers, Unproductive servants may be employed.

Questions and Answers

1. When does a doctor become an unproductive labourer?

A. If a doctor works in a hospital of a private capitalist, there would certainly be a system of collecting treatment costs from the patients. Hence, a doctor there is a productive labourer since his labour converts into a commodity. The same is the case if the system of collecting medical expenses from the patients exists in the hospitals run by government. However, in the government-run free hospitals, they don't collect charges from the patients. All those who perform labour at such places will become unproductive labourers. The doctor too belongs to the same category.

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2. A doctor is an unproductive labourer. His family hires a maid-servant. The first labourer (the doctor) becomes a Master. He gets surplus labour from the maid-servant. If such a thing should not happen, what should he do? If he does not hire her, she would be without any employment, wouldn't she?

A. The Master must pay his maid servant a good wage. He must treat her like a co-worker (colleague) without exhibiting masterhood. In the present-day society, it is not liberation for the household workers to remove them from the household work. If more wages are paid, their surplus labour would go to them only. If the masters behave

courteously with them, they would be free from the harassment which they experience due to masterhood. This alone is the solution for now.

3. A teacher is a productive labourer working in a private school. He loses his surplus value. Should he give more wages to his domestic servant? Shouldn't a person, who loses his surplus value, take the surplus labour of his domestic servant?

A. No, he shouldn't take. If a worker loses his surplus value, exploiting another person is not the solution. A householder who can afford to hire a domestic servant would naturally get a relatively better wage. The domestic servant is a manual labourer and her master would be in a better situation wherein he could pay somewhat better wage. Hence, he should pay better. While a master too is a worker outside, he must treat his domestic servant as a co-worker.

4. A tailor is a productive labourer. He hires another tailor and runs a small shop at his home. Does this mean that a productive labourer has hired another productive labourer?

A. No, it doesn't mean that. The first person is a productive labourer in relation to his master at his work place. It is a relation elsewhere. But he is a master in his own shop that he set up at home. If he occasionally does the labour of tailoring along with his workers at home, he would be a petty-bourgeois (a small capitalist) in that relation.

5. Is the labour of Independent producer productive labour or unproductive labour?

A. The productive-unproductive distinction does not apply to Independent producers since there is no master-labourer relationship here. There is no question of handing over labourer's surplus labour or surplus value to the master. However, since these people also produce commodities for the sake of sale we may refer to such labour as productive and refer to the labour for their own sake as unproductive. But this is not an accurate classification. As they utilize the surplus money which they get from the surplus labour, their labour entirely belongs to them.

6. A cook is working in the house of a doctor who is working in a free government hospital. What is the source of money which she gets as a wage?

A. The cook is an unproductive labourer. Hence, her wage is not something which she gets as a result of conversion of her labour into

money. It comes from the wage of the doctor who hired her. The doctor, however, is also an unproductive labourer. His wage is also not something that he gets as a result of conversion of his labour into money. It comes from the income of the State (Government). The State gets its revenue (income) from taxes. Those taxes are part of the surplus value of the productive labourers in a given country. There is such a long story behind the wage of an unproductive cook working in an unproductive doctor's house.

7. Does a teacher or a doctor know whether they are productive labourers or unproductive labourers?

A. They will know about their position if they too examine things connected with productive and unproductive labour as we do. Otherwise, they don't. ★

66. Transfer of the value of means of production

You may be a little surprised: "why talk about the value of means of production here?" To understand the concept of 'value' properly, we should know clearly about the means of production.

We will be able to understand the various aspects of means of production only after we comprehend the productive-unproductive distinction. Hence we are once again examining the various aspects of means of production.

In any workplace, means of production are spent in order either to produce new products or to carry on some work. The question, however, is whether the value of those means of production too is spent whenever the means of production are spent? After learning these things, we will talk about 'price' once again.

To produce any new thing, we need both means of production and living labour. Here we are concerned with 'means of production' only and not with living labour.

While new things are produced the 'bodies' of means of production get exhausted. But expenditure of their 'value'

depends on productive-un-productive relations.

Exhaustion of bodies of means of production takes place in any labour. If the bodies of means of production are exhausted, it amounts to the exhaustion of their values as well. However that exhausted value does not come back in unproductive labour while it does in the case of productive labour.

As the value of means of production keeps coming back in productive labour, it amounts to the fact that that value has not been spent. It is not necessary to lay out that value afresh every time. We are going to examine these points now.

A 'shirt' has to be made. 'Cloth' is its 'raw material'. (Thread and buttons too are raw materials. But for the sake of simplicity, it is enough if we consider only the cloth). Let us say, the value of cloth is 50. If a shirt is made of that cloth, it means that the value of the cloth has been transferred to the shirt.

If the cloth turns into a shirt, it means the body of the cloth is exhausted. Cloth will no longer exist. To make another shirt, another new cloth is necessary. The initial cloth will not be useful again and again. (Not only the initial cloth but all other materials have been spent out).

This applies not only to raw materials but also to the bodies of the tools. By the time a shirt is made, tools like needle, scissors etc undergo wear and tear to some extent. In the case of a needle, it gets worn out after making 2 or 3 shirts, whereas scissors may be used up to 50 or 100 shirts. Every tool would become unusable after a certain period of time. In the case of every means of production, same thing happens with regard to its body. Whenever a thing gets exhausted or worn out, it needs to be replaced by a new one at the work place.

Well, then, what about the 'value' of means of production? Will that too get exhausted every time? Should a new value be laid out every time? Or will the initially laid out value remain unspent?—This depends on the context in which those means of production are spent.

In a context where commodities are produced for sale, it is enough if the value (money) is laid out only once for the sake of means of production. This value will never be exhausted. It will

come back again and again. In 'unproductive' contexts, the value of means of production gets exhausted along with the bodies of means of production. New money has to be laid out every time for them.

Let us consider a shirt produced for the sake of sale. The value of the cloth, the raw materials is 50. The value of all the means of production is 80. (Here we are considering the value of means of production only and not of the aspects of living labour).

The capitalist does not use the produced shirt for his personal consumption. He would sell it away. In return he would get money. He would get back 80 of means of production. This (80) includes the value (50) of the cloth. If we consider only the value of the cloth, the capitalist would buy new cloth again with returned money of 50 to get another shirt produced. (The cloth is being produced at other capitalists). Similarly, by the time the needle is worn out, its entire value returns. A new needle is procured with that value (money). By the time, the scissors is worn out, its entire value comes back and a new scissors is procured with that money. This means, when a shirt is sold, the entire value 80 of its means of production comes back. With the same money, new means of production are procured again. Hence, another 80-money afresh is not needed to procure new means of production.

Let us call the process of making a shirt the 'process of production', whereas the process in which the shirt is sold, money has returned and another shirt is produced with the returned money may be called the 'process of Reproduction'. (=process of production that takes place again).

Processes of production take place daily. Every process of production is a process of reproduction compared to the previous one. In every process of production, the value of means of production gets transferred to the new production, the same comes back and new means of production are procured with it. The value of these new means of production would again be transferred to the process of reproduction; and would again come back. This happens all the time.

To produce a new thing (new shirt), new means of production are required every time. But, new value to procure them is not needed. The value once laid out would be used again and again.

There is nothing 'strange' in getting back the entire expenditure incurred on making a shirt when the shirt is given away (sold) to others without using it for personal consumption. Though the same thing may be produced and sold thousands of times, 80 value initially spent on its means of production is enough. It will never get exhausted. The same thing is circulated again and again.

Expending value means expending 'labour'. Labour is expended only when products are consumed.

If a shirt-capitalist uses a shirt for his personal consumption, the value of the means of production of the shirt won't come back. It would be expended.

Let us consider a person who purchased a shirt. He purchases the shirt with 120-money and starts using it. After a certain period of time it would be worn out. The fact that it becomes unusable implies that its entire value (that is, the old and new labour which went into the making of it) is exhausted.

The value of a meal is 5 rupees. If a meal is prepared and sold, its cost (value) would come back. With the same cost, a new meal can be prepared again. If the independent producer who prepared that meal ate it, the dishes and their value would be exhausted. If new meal is needed, new means of production and living labour are necessary.

Scissors is a tool. Surplus value is not obtained through it wherever it is used as a tool. But, in the scissors-industry it is a new commodity. There surplus value is obtained through selling it. Every means of production yields surplus value to the capitalist, when it is sold at the place of its produc-tion. After that it goes out and settles down as a means of production somewhere.

Every capitalist buys means of production that he needs from other capitalists. Means of production are needed to produce means of production. The bodies of the means of production are exhausted at every work place. But the value of means of

production is not exhausted. Their value, which is initially laid, would keep returning again and again.

Suppose the shirt-capitalist stopped his industry after some-time. He sold out the entire stock of commodity which was already produced and stopped further production of commodities. Yet the money which he spent on the means of production would not go anywhere. The entire money would come back and stay with him. This means, the capitalist does not spend anything on the means of production irrespective of whether he continues or stops his industry. If he runs the industry, the value of the means of production keeps coming back to him every single time. If he stops the industry, the entire money invested on the means of production would remain with him only.

If the value of means of production necessary for producing a commodity in a workplace is 80, those means of production too consist of 3 aspects. Let us classify those aspects as follows: (1) the value of means of production necessary to produce those means of production is 50. (2) Wages-15. (3) Surplus value 15. These 3 aspects taken to-gether form that 80-value. However, if we analyse the 50-value of those means of production whose total value is 80, that 50 also consists of 3 aspects. Let us suppose the value of means of production necessary to produce means of production of 50-value is 30. Similarly, this 30 also consists of 3 aspects. Thus, the present means of production whose value is 80 have been produced by adding living labour to the previously existing means of production.

Fresh living labour is carried out at every work place, whereas the value of means of production is transferred.

Whatever happens at one work place, the same thing happens at all workplaces thought the society. If we consider a period of one year in the entire society, the entire value of means of production necessary during that period is the value which has been transferred from the previous year. Some more means add to the previously existing means of production and as a result the mass of means of production increases and the value of that mass would

keep increasing compared to the past.

Means of production in a given society are produced by workers of that society. Their value consists of both old and new labour. If we understand the new labour embodied in the value of a given commodity, it amounts to understanding old labour as well. If we understand aspects of tailoring labour (that some means of production are spent during the process of tailoring labour and that the old labour of those means of production enters into the new product), it amounts to understanding aspects of raw materials and tools also.

We will be able to know about value only if we know about the old labour that is transferred from the means of production and the new labour that is performed by human beings.

Understanding means of production does not simply involve understanding what happens in the case of one particular thing. We should know what happens in all work places in the entire society during a period of one year. The economists of the past were not aware of any of these things.

[The present day economists too do not know.]

There prevails a false notion about the value of means of production: people think that the entire labour necessary to produce means of production takes place every time because new means of production are produced constantly. But, while new means of production are being produced, the entire labour necessary for producing them does not take place afresh. Even then, the old labour is transferred. It is the manual labour that takes place afresh every time.

The fact that a certain 'mass of products' is produced in a year implies that all the means of production spent for that mass are already present in that mass. We have set aside the portion of those means of production. What remains is the portion of manual labour. It is split into 2 parts. The first part is spent on the maintenance of the workers themselves while the second part is spent on the maintenance of their masters.

New process of production would again take place with the help of means of production that exist in the mass of products. Expending of means of production and transfer of their value would take place again. The same thing happens time and again.

Questions and Answers

1. A shirt has to be stitched with cloth. What kinds of labour take place there?

A. The labour of cutting the cloth and the labour of stitching alone take place. Neither the labour of weaving cloth nor the labour of making the sewing machine does take place. The labour of stitching (tailoring) takes place subsequent to performing the labour of weaving and machine- making and when those means of production are already available.

2. The value of scissors is 10. In a particular process of production, the scissors is worn out and its initial value came back. But the value of the same kind of scissors has now become 12. How can one get a new scissors with the old value of 10?

A. No, we can't. What returns from an old scissors is its initial value. If the value of the new scissors has increased by 2, one has to add 2 more to the value of the old scissors and buy a new scissors. Therefore, that 12 value gets transferred and comes back in return. In whatever manner the value of a means of production changes, the same changed value is considered. Whatever we see with reference to the old value, the same applies to the new value.

3. A worker has purchased a shirt and is using it. Should we call the money which he spent on the shirt 'unproductive expense'?

A. The Productive-unproductive distinctions apply only in the case of the capitalist. Whatever a worker spends for his personal consumption is his 'cost of maintenance'. The consumer of a shirt pays the value of the shirt and receives the use value of the shirt. Here, productive-unproductive distinctions do not apply.

4. When we say that the value of means of production at the work place never exhausts itself, does it mean that the value of means of production of 100 years ago still remains?

A. Not only the value of 100 years ago but also that of thousand years ago remains till today. Once capitalism began, a portion of the surplus value adds itself to the means of production and thereby its magnitude goes on increasing.

5. Let us consider the mass of products produced throughout the society in a year, what does that mass consist of?

A. It consists of 2 parts: products that serve as new means of production and products that serve as means of subsistence. This means, we find not only those products which are in the form of material objects like new trains, new buses, new houses, new clothing, new yarn, new shirts, new grain but also commodities such as teaching, driving, medical treatment etc. It is a mass that consists of all kinds of commodities. ★

67. Commercial workers are Unproductive Labourers

Labour of commerce or trade or mercantile activities are types of labour that involve buying at one place and selling at another. These are the kinds of labour which facilitate the exchanges that take place between goods and money. These types of labour are not necessary either to produce goods or to make them ready for consumption. The value of these kinds of labour does not add to the products.

In the previous lessons, we have observed that labour of exchange does not increase the value of the products.

All the labour which the commercial workers perform are related to exchanges. If this cloth capitalist needs means of production, the workers of the commercial capitalist purchase and supply them to the cloth capitalist. Similarly they purchase the cloth from the cloth capitalist and supply the same to various capitalists and factory workers.

The duties of the worker who works in a shop where cloth is sold include: picking up of the cloth bundles, showing it to those who come for buying the cloth, explaining about the cloth, measuring it, packing it, collecting the money and rearranging the remaining cloth. He is expected to do this job whenever a customer comes into the shop. Apart from this work, there will be many kinds of work related to exchanges. As these types of labour do not increase the value of the product, these constitute unproductive labour. These workers are unproductive labourers.

The rest is similar to what happens in the case of an unproductive cook. The wages of commercial workers constitute the value of labour power but not the value of labour.

These workers too yield 'surplus labour' to the commercial capitalist.

Expenses associated with the maintenance of shops and the labour of workers together constitute the cost of exchange or trade costs or circulation costs.

Costs of trade go by the name 'commercial commission'. This is an odd name. Similar to rent, interest and profit, this is also a strange name.

We must observe the fact that cost of trading does not add to the value of the product by taking the example of cloth. The value of cloth is 120. Which means, the cloth was made of so much value (so much labour). The work of selling the cloth takes place only after it is made. Let us suppose that the cost connected with selling work is 5. This cost is incurred only after the cloth is made. Hence, this cost of 5 too must enter into the value of the cloth (120) and thereby it must rise to 125, mustn't it? The cloth must be sold at 125, right? But it does not happen. Whatever be the costs of exchange, it won't add to the value of the cloth. Even after the costs of exchange, the value of the cloth would remain the same 120 as decided by the cloth capitalist. The trader ought to sell the cloth at that value only.

If the trading capitalist sold the cloth at 120 and gave away that money to the capitalist, from where does the commercial capitalist bring the cost (5) of trading? Therefore, the cloth capitalist gives that cloth at a reduced price to the trader. We have seen that the cost of trading activity is 5, haven't we? Hence, in this example, the commercial commission is 5. This means, the trader would get the cloth for 115 only. The trader takes the cloth, adds his commercial commission (5) to the price (115) for which he got the cloth and sells it at 120. Out of this 120, he keeps 5 for himself as his commission and gives 115 to the owner of the cloth.

The cloth capitalist gets 15 extra since the originally laid out capital is 115. (In fact, it is 20 that he got extra. But, now 15 remains since 5 has gone as commercial commission.) The extra amount of 15 which the cloth capitalist got will be distributed as rent, interest, profit etc. Well then, what is commercial commission 5? It is

similar to rent, interest and productive profit. There is 20 surplus value in the value of cloth. The commercial commission of 5 is part of that surplus value.

But, one may raise a question. Let us look at the commercial commission differently. The value of the produced cloth might be 115 and not 120! The trader purchased it from the cloth owner at its full value of 115. Later, 5 has been incurred on trading activities. Hence, he added that 5 too and sold it at 120. The cost of trading also had gone into the value of the cloth. That is why, its value has increased to 120. Why don't we look at the matter like this? Why should we think that the cost of trading has not added to the cloth? Why can't we think that the original value of the cloth was 115 only when it was produced?—This is the question.

Answer: If the value of the cloth when it was produced was 115 only, the cloth capitalist should offer it to others at that value, shouldn't he? Would he give it like that? He won't give. He would give it at a reduced price (with commission) to traders only.

If the actual value of the cloth is 115, why should we use the term 'commercial commission' when the trader buys it? When a person goes to a shop and buys an article, would there be mention of commercial commission? Will the shop-keeper sell each and every article to each and every customer by allowing commission? It doesn't happen, does it? Then why the term 'commercial commission' is heard when traders purchase commodities from the productive capitalists? Why does the capitalist sells his commodity at a reduced price (offering commission) to traders alone and not to the consumers? He doesn't do so because the trader cannot add the cost of trading and sell it for 120 if the cloth is available to all the consumers at 115. How is a product sold at a higher price in one place while it is available at a lower price in another? This means, the value of a product at which the trader purchases it is not its actual value. The value at which the trader sells a product is its actual value. Even if the trader bought the cloth for 115, its value is not 115. Even if the trader added another 5 to 115 and calculated

accordingly, it does not mean that the commercial commission has added to the value of the cloth subsequently. The trader is able to sell the cloth for 120 since it had 120-value right at the beginning. And hence he will be able to take his (trade-) commission. That commission of 5 is part of the surplus value of the cloth. Thus, the trading expenses of 5 came from the value of the cloth. This is the answer.

Well then, what will happen to the surplus labour of the commercial workers? Same thing happens to it as it happened to the surplus labour of the unproductive cook. Any unproductive labour is spent in the same form as it has been performed.

The trading capitalist has to spend 5-money which he got as commission to get commercial work done. (We should not forget that the commission is part of the surplus value of the productive labourers who produced the commodities.)

To see the labour of the commercial workers, we have to see the items on which a trader spends 5-money, which he got as trading/commercial commission.

The commission-5 is divided into 3 parts:

(1) Expenses connected with shop, furniture, measuring instruments etc necessary to carry out trade-related activities—1.

(2) Expenses connected with the wages of the workers—2.

(3) The surplus value of the workers—2.

(All these are calculations related to the commission in one single commodity.)

Out of the commercial commission—5, the trader spends 1, on the means of trade. He pays 2 as wages to his workers. Thus, the trader spends 1+2=3 only on the first two items from his commission—5. But the trader does not pay anything in lieu of the surplus labour of his workers. That unpaid money—2 remains as 'trading/commercial profit' of the traders.

Though 5 is spent on the trade-related activities, it does not add to the value of the commodity. Hence, that 5 has not gone into sale. It was spent only on trade-related activities. Though the trading capitalist has got surplus labour of 2-value, it did not convert into money. He got 4-labour from the workers

whom he paid only 2 as wages. He got more labour with less money. The trader does not get money from the surplus labour of the trading/commercial workers, but his expenses are reduced.

What is commercial profit—2? It is the portion that remains in the commission (after deducting the trade-related expenses—3). The entire commission is part of the surplus value of the productive labour. Hence, commercial profit is also part of that surplus value.

What is the total amount of money which the cloth-capitalist and his productive and unproductive workers (including the commercial workers) have with them? Whose labour is it?

We said at the beginning, 'money is the labour of productive labourers and not that of the unproductive labourers'. We will see the same point later.

Questions and Answers

1. What is the work which the commercial workers do?

A. They sell the commodities which are already produced. They don't produce any commodity.

2. Labour of buying and selling goods is mostly required, isn't it? Why then, they don't add to the value of a commodity?

A. They don't add because they are not required. If they are required, why does the capitalist give his commodity at some reduced price while selling it to the trader? Why does the capitalist sell the commodity at a reduced price only to the trader but not to all the customers? If the labour associated with the trading activities adds to the value of the commodity, the price at which the capitalist sells his commodity to the trader would be its actual price. The capitalist has to sell that commodity to everyone at the same price. If we understand as to why it won't happen so, we will be able to understand that the labour of exchange is not required for the production of commodities.

3. It is true that some expenses are incurred in carrying on trade-related activities, isn't it? If these expenses are unnecessary expenses, how to meet these expenses?

A. They have to meet expenses of exchange by drawing from the values of the products sold. Even if it is an independent producer, he has to give up some portion of the value of his products for the sake of costs of exchange if he gets his products sold by a trader.

4. How do exchanges take place without trade-related expenses?

A. If exchanges exist, exchanges cannot take place without trade-related expenses. To carry on exchanges, one has to bear those expenses. If we create conditions wherein exchanges are not needed, those unnecessary expenses won't be there. If we assume that there are no exchanges in the cloth example, we need not waste 5-value out of the cloth's value on trade-related activities. Expenses associated with shops in trade won't be there. Imagine the mass of commodities produced in all the branches of production in a year. It requires crores of money and many lakhs of yards of space to carry on the exchanges of that mass of commodities. All those expenses are wasteful expenditure. But, in a society based on capitalism, expenses connected with exchanges of commodities are essential.

5. How can the conditions be created whereby exchanges become unnecessary?

A. We cannot discuss all those issues here. We have to read *An Introduction to Marx's 'Capital'*.

6. Do commercial workers engaged in trading activities belong to the working class?

A. Certainly, they do. Both the productive and unproductive sections of the working class are subjected to exploitation of labour. ★

68. The entire money in a given country belongs to the labour of productive labourers

In almost every country, we find Independent producers. They too produce certain kinds of commodities and sell them. The members of a small peasant's family sell grain, vegetables, milk and the like. A tailor stitches clothes and receives money. A carpenter too does wood work for others. Thus, the labour of the Independent producers and the articles which they make convert into money. This means, the money that is available in a country at a given point of time also includes the money which is the result of the labour of Independent producers.

But when we observe the capitalist society, we find the least and insignificant number of Independent producers. The money which is created due to their labour is also insignificant. That money also exists but let us not consider it now.

The capitalists, who operate on a very small scale, too perform certain duties along with the workers in the process of production of their commodities. The labourof such capitalists too results in money. (If they take reasonable wages, their wages and surplus value together form the outcome of their labour. If they take higher salaries and profits, they do not comprise their labour alone.)

Let us not consider here the labour of small capitalists either.

Disregarding the money of Independent producers and the money related to the labour of small scale capitalists, we shall examine the remaining money.

In a capitalist society, we have to take into account the class of capitalists who do not perform any labour and the working class who perform labour and examine the relations between the two classes. In any capitalist country, the majority of the population con-sists of these 2 classes only.

First we have to consider the situation of a particular capitalist and his productive and un-productive workers. The same situation is true of every big capitalist.

All the domestic servants in the house of a garment-capitalist are unproductive workers. None of the expenses either of the means of their labour or of their wages go into sales. Nor do they convert into money. All those expenses are part of the surplus value of the productive labourers.

A person who gets commodi-ties produced is a productive capitalist. Those commodities may be either agricultural or industrial. Whatever aspects we find in a particular commodity are also found in each and every commodity. Whatever happens in the case of a particular productive capitalist also hap-pens in the case of each and every productive capitalist.

Neither mercantile capitalists, nor money-lending capitalists are productive capitalists. They do not undertake production of commodities. They deal with the commodities, the production of

which was undertaken by productive capitalists.

Let us take the example of a commodity to see what the composition of money in a given country is.

Cloth is a commodity. Its value is 120. Its constituent elements are means of production 80+ wages 20+ surplus value 20=120.

In this example of cloth, what is the total amount of money that belongs to the cloth-capitalist, his productive and unproductive labourers, and those who share the surplus value in cloth production? What is the source of that combined money? If we understand all the aspects of a single commodity, all things related to money will be clear.

The productive labourers have performed a labour of 40 value to make this cloth. When the cloth is sold, the 40 value of the labour too has converted into money along with the 80 of means of production. Among those labourers, there may be people who perform either manual or intellectual labour and among them again skilled and unskilled. As all their wages taken together are 20, the money which all of them have is 20. (This is the calculation related to one commodity only.)

The surplus value of these productive labourers is another 20. We know how this value is distributed under various heads. Let us see them once again.

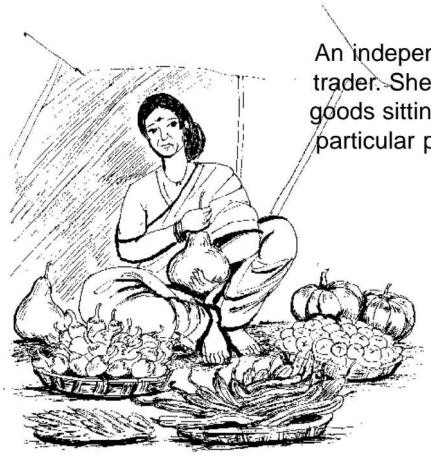
Rent: The landlord gets the portion of rent from the surplus value. If the landlord lends his land for an 'industry', he would get 'rent' from the 'industrial commodities'. If the land is given for cultivation, he would get 'rent from the agricultural commodities'. The 'rent' money which is the income of a landlord is part of the labour of productive labourers who produced the commodities. Money gained through the rent is spent on the maintenance of the family of the landlord and on the wages of his domestic servants. The surplus labour which the domestic servants perform spares the landlord's expenditure on family. The money gained through rent is the source for every expenditure: the jewelry of the female members of the landlord's household, luxurious clothing, mansions, occasional purchase of new lands and day-to-day luxuries. The landlord's family lives on (1) surplus value of the

productive labourers and (2) surplus labour of the domestic servants. Without doing any labour of their own and without the money that their labour-secured!

Merchant's profit: The story of the merchant capitalist who gets the cloth commodity sold by his workers is similar to the story of the landlord. We know how this guy gets 'merchant's profit' at the end. The maintenance and the luxuries of his family depend on 3 factors: (1) The surplus value of productive-labourers who produce the commodities which he (the merchant) sells. (2) The surplus labour of the trade labourers who work for him (the merchant). (3) The surplus labour of the domestic labourers. This guy lives on these 3 factors, without any money that resulted from his own labour.

Income of Independent Merchants: Here we need to understand the income of the Independent merchants. This income is also connected with the surplus value of the productive labourers. An Independent-merchant is one who neither has a master nor he himself a master over others but does trade-related activities himself. Where does this person initially buy the commodities? He buys either from the productive capitalist, or the mercantile capitalist or independent producers. He sells the same commodities that he purchased.No matter where he purchases the commodities, he would get them with some commission, at a reduced rate. Even the Independent producers must sell their commodities to the traders at a reduced price.

An Independent merchant does all trade-related work



An independent trader. She sells goods sitting at a particular place.

An independent trader. He sells goods roaming in the street.

himself. He too incurs some expenses towards trade-related activities. He has to meet these expenses out of the merchant 'commission.' Merchant's profit materializes at the end after the commodities are sold out. It is something which he gets out of 'merchant's commission'. It means that profit is part of the surplus labour of productive workers who produced that commodity.

Well then, what happens to the 'mercantile labour' which the Independent merchant performed? Same thing happens as it happened in the case of the labour of unproductive labourers. The Independent merchant, however, is not an unproductive worker. Yet his labour does not enter into the value of the commodity since it is exchange-related labour. It does not convert into money. But, the mercantile profit which he gets at the end is not something which he takes without doing any labour. He gets it in lieu of the labour he performed. Hence, an independent merchant is a person who lives on his own labour and not some one who lives on the exploitation of others' labour like a mercantile capitalist.

Interest: The story of a money-lending capitalist who earns interest from the value of the cloth is similar to the stories of other capitalists. It is the money earned by means of interest that he spends on the maintenance of his family, servants and luxuries! Further, out of his income which he gets in the form of interest, he sets aside some amount and adds it to his interest-bearing capital (or money capital) so as to multiply it.

Taxes: Taxes also go to the government from the surplus value of the cloth. By means of these taxes, expenses connected with government offices, huge salaries of the ministers, the police, army, courts, jails etc are maintained.

The policemen and the soldiers too are unproductive labourers. But they are the labourers who protect exploitation of labour undertaken by the capitalist class. These labourers are situated in such anti-working class positions wherein they perform coercive labour of suppressing the struggles of the labourers. These coercive activities have been going on since

the slave-owning societies of the past.

Productive Profit: After completing the distribution of surplus value under various heads, what remains for the cloth capitalist is productive profit (profit from undertaking the job of getting commodities produced). With this profit, he maintains his family, domestic servants etc. If he sets aside some portion out of this profit and adds it to the previous capital, his capital would keep increasing. The factors that make the life of the productive capitalist happy: (1) Surplus value of productive labourers. (2) Surplus labour of unproductive labourers at his work place and (3) Surplus labour of his domestic servants.

So far we have observed 20-wages and 20-surplus value. 20-Money of wages will be in the hands of productive labourers. 20 money of surplus value will be in the hands of those who shared it as their income. As the consumers of surplus value pay wages to unproductive labourers from their income (surplus-value), a portion of that money will be in the hands of unproductive labourers as well.

The money in the hands of productive labourers is their labour. The money which is in the form of income of exploiters too is the labour of the productive labourers. Also, the money which is in the form of income of unproductive labourers is the labour of productive labourers. So far we have examined 40 value of the productive labourers out of the 120 value of the cloth. Well, then, what about 80 value of the means of production? Whose labour does that money represent? That money too exists in society, doesn't it?

80-value of means of production: We assume that 80-money of the means of production in the value of the cloth as the money of the cloth capitalist. But we have already seen earlier that it does not represent his labour. 80-value of means of production too includes the old labour as well as the new labour. If we consider that old labour, it too includes both old and new labour. Thus, if we keep going back further, there would be a stage when there was no old labour. Means of production would form as a result of living labour performed from then onward. The entire

labour performed since then belongs to the labourers.

By the time old means of production are expended in a work place, new means of production would be ready at other work places. It is the productive labourers who perform labour in those work places.

Whether we consider means of production of the past or newly produced means of production, the entire value of those means of production belongs to the labour of the labourers.

While we examine the labour (40) of the productive labourers in the example of cloth, it is irrelevant to examine the value of the means of production. Because, if we keep going backwards to see the 80 of means of production, it amounts to seeing the labour of the past labourers instead of looking at the labour of the labourers who make the cloth. Hence it is necessary to see the new labour of the cloth-labourers only. This applies to every article.

To calculate the amount of surplus value which a productive capitalist did get, it is not enough if we add all such items as rent, interest, taxes, commercial commission, his productive profit etc. We must also add wages of watchmen (security guards), managers and capitalists because these are unproductive wages. The surplus value in a commodity includes unproductive expenses and unproductive wages.

Whatever happens in the case of one commodity, happens in the case of all commodities. Whatever happens in the work place of a productive capitalist, happens across the entire society.

Final conclusion: The entire money produced in a capitalist society is the labour of the productive labourers. That money does not include any money that results from the labour of the unproductive labourers because their labour does not convert into money.

In any capitalist society, there also exist small scale capitalists and Independent producers, and we find some money that results from their labour as well.

As neither landlords nor capitalists perform labour, not a single penny of theirs exists.

Whatever appears as money across the whole society includes the total money which is in the form of wages of productive labourers; the total

money which is in the hands of the landlords; the total money which is in the hands of productive capitalists, commercial capitalists and money-lending capitalists;the total money which is in the hands of the government; the total value of means spent unproductively (e.g. shops, offices etc connected with commercial and money-lending activities); and the total money which is in the form of wages of unproductive workers. Thus the total money that is found in the society as a whole is nothing but the labour of millions of productive labourers working in almost all branches of production in the country.

Questions and Answers

1. When does labour convert into money? When does it not convert?

A. Labour converts into money only when it (the labour) or the products produced by labour go into sale. Otherwise labour won't convert into money.

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2. An individual sold a product. He got the entire value of that product in the form of money. When does this happen? Is such an individual an independent producer, capitalist or a labourer?

A. Certainly he is not a labourer. A labourer 'sells' only his labour and not any product. A person who sells products may be either an Independent producer or a capitalist.

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3. If a worker involved in tailoring does the work of stitching at home and sells garments?

A. He won't be a worker either in the context of stitching garments for others or in the context of selling the garments which he stitched. He will be an Independent producer.

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4. A little girl purchased some fruits with a small coin. What is that money?Whose labour is it?

A. First we must know who gave that coin to that little girl. Did her parents give or her paternal aunt give? Whether the person who gave that money is a labourer or trader? If that person is a worker, is she a productive labourer or unproductive labourer? If we know all those things, we will know what that money is and what its source is. Its source may be 'interest', 'profit', 'rent' or 'wage'.

Whatever be its source, money is the value of the labour of productive labourers.

5. An unproductive labourer works for a master. He receives wages. Does this mean that he has sold his labour?

A. It means he sold it. But the Master won't sell that labour outside.

6. Does the money which the government gets in the form of taxes also include the value of labour of unproductive labourers?

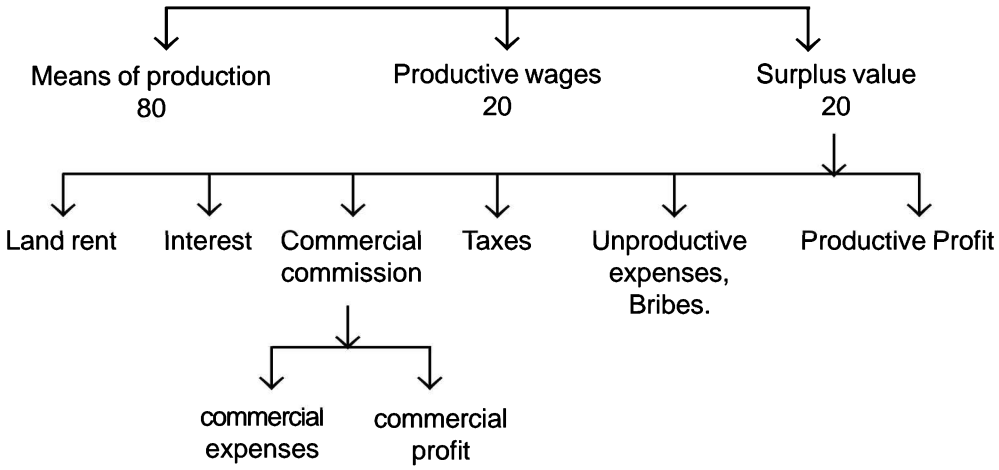
A. No, it does not include that value. Those unproductive labourers who perform intellectual labour also pay income tax. They pay those taxes out of their salaries (wages). Their wages, however, are not the result of conversion of their labour into money. The state pays those wages from various kinds of taxes which it gets as income. All those taxes are paid by the capitalists from the surplus value of productive labourers. Hence taxes are the value of the labour of productive labourers. Though unproductive labourers also pay taxes, the money of those taxes is not the result of conversion of their labor into money.

7. It is said in the lesson that in order to calculate the surplus value produced in a period of one year in a country, we have to add interest, profit, taxes, unproductive expenses and the like. If we calculate that way, it (surplus value) will be a huge sum of crores and crores of rupees. Will the surplus value produced by productive labourers be so huge?

A. If the calculated amount appears to be so huge, then you must wonder, "Is exploitation of labour taking place on such a large scale!" If such a huge amount of surplus value is not available, how can they secure and maintain government offices, the police, the military, buildings, arms etc? The military operates on land, water and air. Unless such huge amounts of surplus value are not exploited, how can the families of landlords and capitalists acquire enormous riches and wealth? Where does the money which is spent on bribes, throughout the country, come from? Before raising the question, 'will the surplus value be so large', we need to raise and understand questions such as, 'what is surplus value? What is exploitation of labour?' If we understand these things, it will be clear as to how these riches and wealth are accumulated and how all the branches of the state are maintained.

8. Take a commodity and illustrate the productive-unproductive distinction by way of its internal division.

A. **Value of a commodity—120.**



Every fellow who consumes surplus value will have unproductive labourers to perform domestic services. Some portion from the 'rent' is spent on unproductive expenses. Some portion from the 'interest' is spent on unproductive expenses. Thus, some portion from every income is spent on unproductive expenses.Unproductive workers are found even in the houses of Intellectual labourers. ★

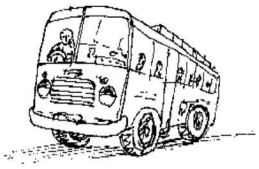
69. Values that add Subsequent to production

Here we need to examine some more aspects concerning the 'value of a commodity'. The value of the cloth when it was produced at the place of production is 120, isn't it? But that value does not remain as 120 if we want to purchase it from a cloth shop. By the time it reaches the shop, some essential values add to it and that value increases a little more than 120. Especially the labour of transportation and the labour of storage.

Labour of transportation: If an article, produced at a place of production, has to reach the

consumers, it has to move out of that place of production. It has to be moved out either on a cart or a lorry. It is the labour of transportation. It is a necessary labour. There won't be any change in the body of an article due to the labour of transportation. But that article moves from one place and reaches another place. If an article remains at the place of production without incurring the expense of labour of transportation, it is not at all possible to use that article.

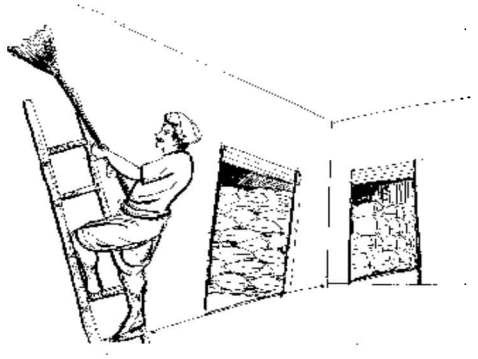
labour of transport



labour of transport

Though the labour of transportation is not necessary to make an article, it is a labour necessary to convey the produced article to the consumers. Hence it is productive labour. Transport workers are also productive labourers. Let us suppose that 4-value is spent on the labour of transportation in order to deliver the cloth of 120-value at a shop. That value (4) will add to 120. That 4 value of transportation, however, will be of 3 parts: means of production necessary to carry on that labour of transportation + wages of labour of transport + surplus value of those transport workers. These 3 items taken together constitute the value-4 of transport.

Labour of storage: Like the value of labour of transportation, the value of the labour of storage also adds to every product. No product is consumed immediately after it is produced. We have to store it at some place and protect it till it is consumed. If it is 'milk' we have to store it till the next day. If it is vegetables, we have to store them for about a week. If it is grain, we have to store it for a year. In this manner, for every product, we will incur some costs of storage till it is consumed. This is a natural need. To carry out this work of storage, labouerers are needed. The costs of storage also add to



the value of a product and its value increases.

Labour of Packing: Labour of packing products is also productive labour. Suppose we have to keep grain in a store or send them by transportation, we need to fill the grain in the bags and tie the bags. The cost of the bags is also a necessary expense. The cost of the bags also adds to the value of grain. Thus, all the expenses connected with natural needs add to the value of the products.

Labour of Advertisement: Costs of advertising about commodities are wholly unproductive expenses. The labour of advertising about a product is not a necessary expense either for the production or consumption of product. We can produce and consume a product without advertisements. This value (of advertisement labour) does not add to the product. It means this entire cost (of advertising) is part of surplus value of the product.

To calculate the total surplus value for the mass of products in a society, we have to add all the advertising costs as well.

Productive-Unproductive distinction between types of labour did not exist in the past. This distinction is specific to capitalism.

In a slave-owning society, slaves grow many crops. The slave-master sells only some portion of those crops, and does not sell a large portion. Only the sold portion of the crop converts into money. Are these slaves who raised the crops productive labourers or unproductive labourers? Or are they both? They are both. Which means, they are not either. There, such a distinction is not possible.

Same is the case with the feudal tenant farmers. Out of the crops which they grow, some portion goes to the landlord as rent and some portion remains with the tenant's family. A major portion of the crop does not go into sales. It does not convert into money. Only some portion converts into money. Are feudal tenant farmers productive labourers or unproductive labourers or both? Here also such a division is not possible.

Whereas under capitalism, the entire commodity which a capitalist gets produced goes

into sales. The entire commodity converts into money. If a coarse-cloth capitalist gets a thousand meters of cloth produced daily, it will be 30 thousand meters per month. 3 lakhs and 60 thousand meters per year. (If we deduct holidays, the quantity of the cloth might be less). Out of the total quantity, how much cloth does the family of the capitalist use for its own consumption per year? It may not use even a single meter of cloth. Or it may use 10 meters of cloth a year for the sake of dusting in the kitchen. This means, if we deduct 10 meters of cloth from 3 lakhs and 60 thousand meters, the remaining cloth must be sold in entirety. If he gets back that money, he would again buy new means of production. He would pay wages. He would pay rent, interest and taxes. Everything must be done with money. That's why, he has to sell the entire commodity and convert it into money.

A capitalist gets cement produced. Let us say 500 bags per day. How many bags in a month? How many bags in a year? How may bags would he use for his household needs? Not even a *fistful*. He has to sell out all those thousands of bags.

A capitalist gets daily newspapers produced. One lakh copies daily. How many copies does he use for his personal consumption? At the most 2. Except those 2 copies, he must sell all the remaining copies.

Thus every capitalist must sell his commodities in entirety. Also, he must buy all the things necessary for his work place as well as house. This is why capitalism has another name: 'the system of commodity production'. That's why Productive-Unproductive distinction is specific to capitalism. Productive labour is that which produces commodities and increases money while the unproductive labour is that which spends money.

We have seen that both productive labourers and unproductive labourers lose surplus labour and are subjected to exploitation of labour. However, the liberation of unproductive labourers is dependent on the liberation of productive labourers. If the surplus value which the capitalist class gets from the productive labourers ceases, it will not be possible for the capitalist class to spend on unproductive labourers. If the

increase in the surplus value of the productive labourers in turn increases the amount of capital and as a result if the surplus value further increases, the owner-class would keep using unproductive services on an increased scale. Therefore, only when the surplus value ceases to accrue to the owner-class, the liberation of productive and unproductive labourers begins!

Another specific characterstic of capitalism is— competition among capitalists! Before discussing this point any further, we need to examine another issue, namely, 'Household work.'

If the members of a household do the household chores for themselves, with what name do we refer those chores?

[There are many questions in this lesson.
See them in the form of next lesson.] ★

70. Subsequent to production

[This lesson is in the form of 'Questions and Answers']

Questions and Answers

1. What is 'Productive Profit'?

A. Profit that is secured due to productive labour. It is secured through labour which produces commodities as well as through labour that adds to commodities after they are produced. It may be Industrial profit or agricultural profit. Profit which is secured as a result of sale of commodities is commercial profit and not productive. Similarly, the expenses saved due to unproductive labour are not secured in the form of money and hence not productive profit.

2. Who is a productive capitalist?

A. One who gets productive labour performed and secures productive profit.

3. What is the raw material in the 'labour of transportation'?

A. None. Neither the products which are transported nor humans engaged in transport labour are raw materials.

4. A family needs 6 bags of rice per year. If the family buys rice only once and stores it in their house, its price will be somewhat less. If the family purchases rice in small

quantities every month, its price will be somewhat high. Why?

A. If rice is purchased only once and brought home, space is required to store the rice. The members of the household will have to do the labour of preserving those bags. In case they don't buy all the bags at one time, the shop keepers have to bear the expenses connected with the space and labour of preserving the rice. If they buy the commodities after the labour of storage is done, the cost would be somewhat high.

5. From whom does the store-keeping-capitalist get surplus value: from the productive labourers who produced the commodities or the labourers of storage?

A. From the labourers of storage. The labour of storage is productive. The value of storage labour adds to the commodity and goes into sale and fetches money. That money includes wages of the storage workers + surplus value.

6. After preparing food stuffs we keep them either in a *fibrous sling* or almirah. After our meal, we store the remaining food-stuffs at least for some hours. Are they costs of storage?

A. Yes. If there are no arrangements to keep cooked food stuffs, where will they be for a certain number of hours? The fibrous sling also constitutes a means of storage.

7. Is it not possible to use products without storage costs?

A. If we drink coffee immediately after we make it, there won't be any storage cost. But we store coffee powder, milk and sugar. Some portion of this cost adds to a cup of coffee. If a gentleman stands under a guava tree in a forest, plucks a fruit and eats it, there won't be any storage cost to it.

8. Costs of packing commodities add to the value of the commodity. But should that packing be done with expensive costs in glittering coloured papers?

A. All those are business tactics. The sellers think that glittering packaging attracts the buyers and compels them to buy. The buyers fall an easy prey to such glitter tactics. The quality of biscuits does not increase if they are sold in glittering attractive packets instead of clean and ordinary white packets. The cost goes up due to extravagant packaging. The buyers of such commodities will be compelled to spend more on packaging.

9. Let us suppose, it costs 2-value to pack a commodity if we use really basic amount of card board. But, suppose, the value of packing will be 3 if we use colourful and stylish material for packaging. Will this extra value-1 which we spent be part of the surplus value of the packed commodity?

A. No, it won't. Packaging is productive labour. Even if more expense is incurred on stylish packaging, it is an actually incurred one. The packing will not be stylish and attractive if that amount is not spent. The buyers of that commodity have to bear that cost of stylish packaging. If the packing is simple, the buyers will incur less cost. But the buyers are not aware of all this. Having been accustomed to stylish things, buyers crave for them.

10. How will the consumers know about commodities if there were no advertisements? Are advertisements not needed?

A. Advertisements may proceed with 2 kinds of characteristics. All the advertisements in capitalism are business announcements. They proceed with various tactics to deceive consumers. Business announcement is not necessary in order to make people aware of a product. A news item giving some information about the product is enough. Just as many essential pieces of information are published, information about the product too reaches people. The expenses incurred on business advertisements are excessively greater than the expenses incurred on the police machinery. The entire expense spent on advertisements is part of the mass of the surplus production of the working class.

11. A capitalist company, let us say, had started selling some soap or toothpaste about 40 years ago. All consumers know about those commodities. Still, that company issues business advertisements about its commodities. Why?

A. The company fears that if its advertisements stop and the advertisements of other new companies continue to appear, the consumers might forget the old commodities. It is also a known fact of this commercial world. If advertisements of new commodities alone appear, the consumers tend to lean toward them. The old commodities can compete with the new only if their advertisements continue. All this is gimmicks of the business field.

12. Is it not enough if people produce certain good quality soaps and toothpastes without indulging in business tactics? All consumers will buy them, won't they?

A. What is business for? For the sake of profit. All businessmen aim at their profit, don't they? Why would all of them come together? It is more dangerous if all capitalists come together. Then workers are compelled to buy the commodity even if it is trashy and costly. Capitalists may get commodities produced cautiously if they function separately and individually.

13. How many names do the capitalist have? Why can't all of them have a single name?

A. Their names depend on the kind of activity they undertake in order to earn money. Productive capitalist is one who gets commodities produced by the workers in agriculture or industry. Commercial or mercantile capitalist is the one who gets the commodities sold by his workers. Money-lending capitalist is the one who lends money to either productive capitalists or the commercial capitalists. Landlord is the one who rents out land to the productive capitalist, mercantile capitalist and the money-lending capitalist. All these guys secure income under various heads not on account of their own labour. The incomes of all these guys come from the commodity which the productive capitalist gets produced by his workers.

14. Who is a 'contractor'? What is his job?

A. A 'contractor' is someone who undertakes a job on contract. A contractor is also a capitalist. The government intends to get a canal dug, a bridge constructed or a road laid. It calls a capitalist and assigns the job to him. It means, it allocates that work on contract. That contractor gets that work done by engaging workers. As the contractor finally gets 'profit' due to that contract, he would give bribes to ministers and government engineers. If he does not have an opportunity to earn profit through a contract, there is no scope to pay bribes. Earning profit in the first place is one form of corruption. Earning bribes through other persons from that profit is another form of corruption. The source of corruption of taking bribes is the corruption of earning surplus value.

15. Capitalists get iron, cement, petrol, buses, rails and other such commodities produced. How much of the produced commodities does a capitalist use for his family?

A. In the case of certain commodities, a capitalist's family does not use any portion of the commodities that it gets produced by the workers. The entire commodity is meant for sale. The family buys necessary commodities from other capitalists. In the case of certain commodities, the capitalist's family uses some portion of the commodities which it gets produced. But it is negligible. Much is bought from outside. Majority of the capitalists sell their commodities *en masse* and purchase necessary commodities from other capitalists.

The commodities of a capitalist
The whole thing is for sale
Commodities of another capitalist
Only the dotted space is meant for the consumption of the capitalist's family. The rest for sale.

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16. The soaps-capitalist gets 5 thousand soaps produced per day. 1 lakh and 50 thousand per month. Well, then, how many soaps does that capitalist use per day in his house? How many does he sell outside?

A. Not even a single soap is exhausted in the house in a day. Let us say, they use 10 soaps per month in the house. That is, if we deduct 10 soaps from 1 lakh and 50 thousand soaps, he must still sell the remaining soaps. Same is the case with biscuit-capitalist, cloth-capitalist, shoe-capitalist and every other capitalist.

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17. Who do the capitalists pay bribes to?

A. They may pay bribes to the officials of the government as well as private companies in order to get orders for their commodities. They may also give bribes to the judges in connection with the cases involving other capitalists or the workers. They may give bribes to the police officials who will disrupt the strikes of the workers. And on several such occasions. ★

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71. Exchange-related labour does not convert into value

In the previous lesson, we have seen that certain types of labour (such as storage and transport) take place even after the products are ready and the values of those types of labour too add to the value of those products.

The activity of selling the products also takes place after the products are ready. The activity of selling means giving products and taking money. It is an exchange between the commodities and money. This act of exchange also involves some expenses. Some amount of old labour and some amount of new labour are spent. But none of those expenses add to the value of that commodity. Nor do they increase its value.

We have already stated in the previous lessons that "exchange-related activities and exchange-value are unnatural". Here we need to understand the same point in detail. In this context, we are observing the types of labour that take place even after the products are ready. We, therefore, are examining the issue of exchange-related labour.

A pot is ready for sale. When it was made, its labour time was 2 hours. Its cost was Rs. 2. It was taken to another place by transport for which half-a- rupee was spent. Then the value of that pot would be 2 ½ rupees. This means, the value of transport also added to the value of the pot.

Later that pot has to be sold. In order to assemble all the commodities at one place and sell them, some space and a small shed over that space are required. Transactions for sale have to take place. Let us suppose that the expenses connected with sale is half-a-rupee. Would this value of sale also add to the value of the pot? Would the value of the pot become 3 rupees after the sale? No, it won't. Even then the value of the pot would be 2 ½ only.

Let us suppose, the potter

has actually sold the pot for 3 rupees. Even if he has sold like that, it does not mean that expense connected with exchange, that is half-a-rupee, added to the value of the pot and hence the value of the pot became 3 rupees. There must be some other reason for that.

If tailoring labour is performed on a cloth and if the cloth turned into a shirt, the value of the shirt would be greater than the value of the cloth. We can say that the value has increased because we can't get a shirt with the same amount of money with which we bought the cloth. We have to pay more money for the shirt.

If transportation labour is performed on that shirt, then the value of the shirt would increase.

Would the value of the shirt increase if the labour of exchange is performed on that shirt? Would the labour of exchange add to the value of the shirt? If it happens, the value of that shirt must have increased after the exchange is over. If the value of exchange also adds to the commodity, the value of each and every commodity must increase after its exchange.

See this example: A pot, a pair of shoes, and a basketful of grain –the values of these 3 commodities are equal. The value of each commodity is 2 hours of labour. It is 2 rupees. If a pot is given, you will get a pair of shoes. Or, a basketful of grain.

An exchange has taken place between the pot and a pair of shoes. Would the values of those commodities increase after the exchange is over? Would the value of the pot increase over and above 2? Would the value of the pair of shoes too increase? To find out whether their values increased or not, we have to exchange them with other commodities.

Let us see the case of the pot. Let us suppose that the value of the pot increased over and above 2 rupees due to its exchange with the pair of shoes. If the same new pot is exchanged again with yet another commodity, one should in return, get a commodity whose value would be greater than 2, isn't it? Would it actually happen?

The shoe-maker initially took the pot, didn't he? Let us say, he wanted grain immediately. If he gave the new pot and took grain, would he get only a basketful of grain or more in return to the

pot? If the value of the pot increased over and above 2 due to its first exchange with the shoes, he should get a commodity whose value is greater than 2 when the second exchange took place, shouldn't he? But it does not happen that way. The value of that new pot would not increase but remain as 2 irrespective of the number of exchanges and the amount of labour spent on those exchanges.

The fact that the value of a pot has not increased after an exchange implies that no expense connected with that act of exchange did add to the initial value. Same is the case with shoes, grain or any other commodity.

Consider this example: The value of the cloth is 5. We gave that cloth and took Rs.5. It means, an exchange has taken place between the cloth and 5-money. The cloth has left the place and it is irrelevant to us. We got Rs. 5. Let us see this point. If the expense connected with the exchange adds to that money, those 5 rupees should increase in value to some extent, shouldn't it? Will it increase? If we give Rs.5 now, shall we get a commodity whose value is higher than 5? It won't happen. Let any number of exchanges take place with that 5-money with any number of commodities, it will remain as 5 only. Even after the completion of an exchange, a commodity (a product) will have the same value which it had before the exchange! Which means the labour of exchange would not convert into value! Because exchange is not naturally needed either for the production or the consumption of a commodity.

The labour which is indispensable for the production and consumption of products is natural labour. Only when natural labour is performed, it becomes a value. Otherwise, it won't convert into a value.

The value of a basketful of grain is Rs.2. If pounding labour is performed on that grain, the value of the grain will be higher than its initial value.

Foodstuffs are made and kept ready for eating. The labour performed so far was for the sake of preparing those foodstuffs. Now, in order to consume those dishes another kind of labour has to take place. It is the labour of serving (or self-serving)

those foodstuffs either in leaves or plates. However, this work of serving does not change the form of the foodstuffs. Nor does it prepare new foodstuffs. It facilitates the consumption of already prepared foodstuffs. It is an altogether different matter whether one does it himself or others do that work for him. It is labour no matter whoever does it. If that work of serving food does not take place, it is not possible to consume those foodstuffs.

If cooking labour is not done, rice does not convert into cooked rice. If the labour of serving is not done, the cooked food cannot be consumed. Labour without which either production or consumption of products is not possible is natural labour. Labour of exchange is not natural labour.

It is not possible to make products by dispensing with weaving, stitching and cooking, whereas it is possible to produce and consume products by dispensing with the labour connected with their sale.

However it is possible only when appropriate conditions are created in society. By 'appropriate conditions', we mean the creation of such conditions whereby all people perform labour, Master-Servant relations are eliminated, relations of independent labourers are transformed into collective labour relations and labour relations are transformed into labour relations of equality. Then there would be no need for exchanges. Only then, it will be possible to make products and use them as per our need. All this depends on transformation of relations of exploitation of labour.

The system of exchange has been in existence among different tribes ever since the days of primitive society. However the exchanges in those days used to be in fewer numbers. Things were managed with a small number of articles produced within the tribe without the need for a single exchange in an entire day, whereas in the present day capitalist society, the system of exchanges is so widespread that exchanges have become necessary from minute-to-minute.

In order to carry out any labour, several expenses connected with old and new labour are incurred. Similarly in order to carry out the labour of selling, some expenses are incurred.

First, some space/land is

required for setting up a shop to sell commodities. A smaller or bigger building is to be built on that site. Lots of furniture and other articles are to be provided inside the building. People who can work in that shop and sell commodities are required. The workers need maintenance (means of subsistence). If these acts of exchanges were not in existence, those workers would fend for themselves by performing natural labour in places like schools, hospitals and transport offices. It would have been possible for them to turn to natural labour.

Suppose 50-thosuand meters of cloth are sold in a year in a textile shop. Let us also suppose that the expense incurred in selling 1 meter of cloth is 1 rupee. This value of sale does not add to the value of the cloth. Hence, there arises a need for 'commercial commission'.

Those who sell commodities are not aware of such questions as to which expenses add to and which expenses do not add to the value of a commodity. Just as they are ignorant of such trade secrets as rent, interest and profit, they are unaware of the merchant's commission as well.

Take the example of a shoe shop. We find thousands of pairs of shoes there. Why don't the readily available shoes go into consumption at once? Because exchanges are yet to take place.

A fruit garden is in full blossom. What is the objection if the entire population of that region consumes those fruits without any reference to exchange? Well, that garden is the property of an individual! A lot of labour was performed to raise that crop. Those who want to take those fruits must pay in return the value of labour spent on the crop.

It is not a matter concerning just one or two shops. Consider all the places and all the shops meant for sales activity in a county as a whole! See how many places, how many buildings and how many people are required for that! If there was no need for sales and if all people perform labour, produce and consume articles as per their needs, those sites and buildings would be liberated from such unnatural reasons for their existence.

But, the existing human relations are in the form of master-labourer relations. These relations necessitate exchanges

for every need. As long as the relations are like this, it is not possible to do away with exchanges. Yet it does not mean that exchanges would remain natural needs forever, just because they are required now.

Some expense is incurred in the sale of every commodity. But, that expense does not come back and add to the value of the commodity. Hence, the expense connected with the sale has to be met from the actual value of the commodity. That is, from the surplus value of the commodity! Even if the commodity is that of Independent producers, the expenses connected with its sale must be met from its value.

Expense connected with the sale is a wasteful expense which no one can use. Over the years, human society has been losing vast pieces of land and labour wastefully for the sake of exchanges. If the land, buildings and labour were not lost for the sake of exchanges, the hours of labour spent by the human beings would decrease to a large extent.

The fact that some unnatural expenses are incurred in the society implies that there are some contradictions in the labour relations. It also means that the relations are not rational.

Questions and Answers

1. What are the old and new forms of labour that are spent while the labour of exchange takes place?

A. The sales shop and the commodities in it come under old labour. The labour of the sales persons is new labour.

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2. Rice is not yet ready. Is it, then, possible to cook food?

A. Not possible. Carrying out natural labour is not possible without the requisite means of production.

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3. The commodity is not yet ready but its sale has been finished. The commodity owner received the money. How is it possible?

A. This is possible since the labour of exchange is not a natural labour. The commodity-owner would produce and deliver the commodity later. The person who paid the money would take the commodity later.

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4. Production is not ready. Will it be transported?

A. No. How can transportation take place in the absence of the article? Transportation is natural labour. To perform it, articles must be there.

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72. Family Labour

Having examined the productive and unproductive forms of labour, we should now discuss the issue of 'Family labour'.

If the household chores are done by the members of the household, they are neither productive labour nor unproductive labour. They go by the name 'house work'. They are Family labour.

A given labour will either be productive or unproductive labour only when there is a master-worker relationship. It is a relationship wherein the master pays wages to the workers. Even amidst such relations, productive labour is that which produces 'commodities' and that which doesn't is unproductive labour. In both these relations, workers go to the master, work there for a certain number of hours and then leave the work place.

But the relations between the people in the house are not those of master-labourer. They are not 'wage' relations.

In every family, all over the world, it is the women who do all the household chores. Since times immemorial, there has been a 'division of labour' between men and women. It is a division of labour whereby the household work is meant for women and the work outside for men. Outside work here means work done for a master.

Suppose there is a couple (wife and husband) and their two children and two aged persons in a household. The husband goes out and does labour for a capitalist. That labour might either be productive or unproductive. He gets wages (some money) for that labour. With that wage money he purchases from market the means of subsistence necessary for the house. Using the means of subsistence which the husband brought, the wife performs all the work necessary in the house.

Work related to child care and care for the aged also come under housework. (Let us suppose that there are no unproductive workers who come to the house to do this work.) All kinds of labour which the wife performs in that house are spent as use values for the sake of the needs of the house.

As the wife's labour is not sold outside, it doesn't fetch any money. Her labour does not convert into value.

This relationship between the wife and the husband is a 'family relationship'. It is not a relation between a master and a labourer. Although the husband at times behaves like an autocrat with his wife, he is not like a master who pays wages to his wife. As the wife does not get wages in return to her housework, she is neither a productive labourer nor an unproductive labourer. In that case, will she become an 'independent labourer'? No, not even that. Independent labourers are those who produce commodities and sell them. But the labour which a wife performs in a family and the products that she makes are not 'commodities'. A person who does her own housework does not belong to the category of an 'independent labourer'. Her labour can only be named as 'family labour'.

Housework is still housework even if it is done by a male member of the family. Even if male persons do the housework, their labour is not sold as commodities. Hence, it does not convert into money. No matter who performs that housework, it will not convert into money.

Women belonging to poor families, in addition to doing the household chores, go out and do labour outside the house. This practice has been in existence since distant past.

During the period of slavery, women belonging to the slave families used to do all the household chores of the slave-master in addition to the work they do in their own huts. They also undertook the labour of cultivation in the land of the master.

In the feudal society, womenfolk of the tenant farmers also used to do labour of cultivation in the rented lands of the feudal lord in addition to the work in their own houses.

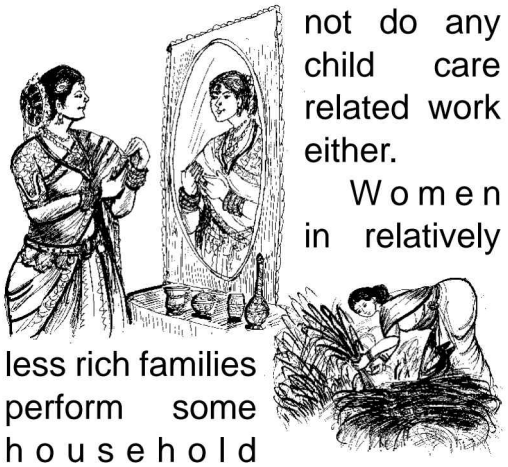
In the capitalist society, womenfolk in the poor working class families do labour for a master outside their home in addition to the work in their own houses.

Like the menfolk who do outside work, women who do outside work will also be 'labourers', either productive or unproductive. They too get wages. Like the men who perform intellectual/mental labour, women who perform intellectual labour too would get higher wages.

In those families where both the wife and husband go out for work, both of them get wages. Their masters get 'surplus labour' from both of them. Labourers who go out for work do not get work throughout the year. Even though both wife and husband go out for work and get wages, their family still lives in poverty, but that is a different issue.

When we speak of women they also include 2 classes of people. In those families which live on land-rent, interest and profit, domestic workers do all the household chores.

Womenfolk in those families do very little housework. They do not do any child care related work either.



Women in relatively less rich families perform some household chores. Even here, it is the domestic servants who do most of the work.

Household work has never been the responsibility of men. All the household chores are still the responsibility of women even if they perform outside work. It means that women who do both household work and outside work are doing more labour than men.

In the families of women who are engaged in intellectual/ mental labour, it is the domestic servants who do large part of the household chores. Every person, whether it is male or female must perform labour. There ought to be reasonable regulations. By 'reasonable regulations', we mean that all people must have equal rights and equal responsibilities. Such regulations have not existed so

far in society.

Both men and women must do both household work and outside work.

If both do outside work, both will get money for their labour. Both will have independent economic capacity. Both can maintain the family. Both live in the same condition.

Similarly both must share household work with equal responsibility. As a result, both will not earn money for the housework and hence both will remain in the same condition.

There is a lot of injustice in the division of labour between men and women that has been in existence till today. Owing to this, mainly women face many problems.

Women who do not have outside work but confine themselves exclusively to the household work have to depend on their menfolk for their maintenance. The wife can cook and eat only if the husband brings rice. Similarly, men who work exclusively outside have to depend always on women for household work. The husband can eat only after the wife cooks food. This is a problem for both.

If men do not do housework and women do both housework and outside work, it will be excess labour for women. It is a problem specific to women.

If there is a 'problem,' there will certainly be a 'solution' to it. If we understand the problem, its solution will also become clear.

Outside work for both men and women.

House work for both men and women.

Both will have rights.

Both will have responsibilities.

Both live in conditions of equality.

If we consider the question, how much labour in toto has taken place in a day in a society, it will include 4 types of labour: (1) Productive labour. (2) Un productive labour. (3) Independent labour. (4) Family labour.

If we consider the question, how much value (money) is produced in a day in society, the 1st and the 3rd types of labour are counted. The 2nd and the 4th types of labour do not convert into value.

Labour relations in a capitalist society:

What type of labour it is?	*With whom the labourer has a relation?*	*What is the result of that relation?*	*Will that labour convert into value?*
Productive Labour	Relation with the productive capitalist who is a Master.	It involves making of products as well as activities which are not in the form of products.	Converts into value.
Unproductive Labour	Relation with the master.	,,	Does not convert into value.
Independent Labour	No relation with the master.	,,	Converts into value.
Family Labour	Relation not with a master who pays wages but with the husband who behaves autocratically like a master.	,,	Does NOT convert into value.

These are the details of labour carried out in the society while there exists a class which does not perform any labour.

Questions and Answers

1. 'Housework for women' and 'outside work' for men'—did the elders of the past time fix this kind of division of labour thinking that families would run peacefully?

A. Not that some elders sit together, ponder over and fix some tradition. A tradition emerges somehow under certain existing conditions. But, each and every tradition ought to benefit all people

alike. Though this tradition of division of labour created problems for both men and women, the problem which women face is bigger. It makes them depend on men for their maintenance.

2. Have all the womenfolk done outside labour right from the period of slavery?

A. Women belonging to servant families, that is womenfolk of poor families alone did like that. Menfolk as well as womenfolk of rich families have never done outside work. Majority of the household chores were carried out by domestic servants only.

3. Who all constitute a 'family'?

A. In the slave-owning society, slaves belonging to the slave master's family too were the property of that family. If we look at the present-day Indian family, wife and husband, their children and husband's parents constitute one family.

4. What is this?

A. She is cooking.
He is sitting.
We don't know their relation.

5. After the parents become old, it will be the responsibility of the sons to take care of them. Why don't the daughters take up that responsibility?

A. The daughters cannot support themselves. They live under the care of their husbands. Women in very poor families too perform outside labour, but they don't get as much income as their menfolk. Owing to such reasons, the responsibility of the care of aged parents lies on sons.

6. Are 'familial relations' too labour relations?

A. They are not only labour relations but also blood relations. But all living beings will have blood relations. Ants and mosquitoes too will have them. Hence, they are irrelevant. Here, we examine labour relations within the family.

7. We say, 'Parents take care of the children and bring them up. Those children after becoming adults ought to take care of their aged parents'. Does this responsibility of children too come under labour relations?

A. Yes, it does. But, in addition to this, there is a relation which is specific to human beings. In case of such living beings as birds and

animals, the mother nurtures the young for some time. But nowhere do we find the non-human offspring taking care of aged parents. The offspring will have relations with the mother till they cross infancy. The case, however, is not the same with reference to 'human beings'. The specific nature of human beings is that they have labour relations. Along with it, there is something called 'human culture'. If the parents raise children, those children will become adults and they ought to take care of their parents. This is a culture which is not viable among animals. Thus, human beings will have many specific relations.

8. Parents raise children. Those children take care of the parents. Parental care is merely a responsibility. How, then, will it constitute labour relations?

A. To discharge responsibilities, they have to perform various kinds of labour. Hence, they are labour relations. We have to understand this point more logically. Children do not perform labour when they are young. They do labour only when they become adults. Again, they will not do any labour in their old age. Yet it does not mean that they lived on the labour of others. They too will do labour for the sake of their children. They will do labour for the sake of their aged parents. In other words, this means that every person belonging to the labour class is living on his own labour and not on the labour of his parents. However, the children receive the parents' labour and the parents receive their children's labour.

9. Do the children alone take care of their aged parents?

A. There are incidents where parents as well as children show irresponsibility towards each other. But if we want to talk about family relations in general, both parents and children should discharge their respective responsibilities. Usually if parents behave responsibly, children will also behave responsibly.

10. Some parents do not like to live with their children in their old age. Is it good?

A. It may be good for them. They have to decide whether it is good for them or not. But the same parents hand over their property to the same children with whom they do not want to live.

11. How does caring for the aged take place in the rich class?

A. What sort of question is this? The care for the aged is managed through those who do all the household chores. Through domestic servants. ★

73. Competition! A Loathsome Expression

'Competition' is a new phenomenon that began specifically in capitalism. Competition among capitals! That is, competition among capitalists.

Why competition? To sell commodities. A single capitalist will not produce a particular commodity. There would be many capitalists. Each one of them tries to sell more commodities than the other.

Let us suppose there are four or five coarse cloth capitalists in a particular area. Every day, several hundreds of meters of cloth is being produced by each of those capitalists. All the capitalists must sell the entire cloth as and when it is produced. Only if the produced cloth is sold and money is received, the invested capital comes back. It will be possible to use that capital once again. Moreover, only if the commodity is sold out, more money than the capital is secured and that amount could be distributed as interest and profit.

A commodity like cloth does not perish even if it is not sold over a period of time. But, if it lies in a corner and remains unsold, it will not be possible to pay wages to the workers. If it remains unsold for six months, lots of expenditure is incurred to keep it safe in a store till it is sold. If the profit contained in the commodity does not reach the hands of the capitalist, luxuries of the capitalist will be at stake. Then he will be obliged to stop new production (reproduction) and reduce the number of workers. Everything will become chaotic. Hence, however imperishable a commodity may be, old stock must be sold out by the time new stock of commodities is ready.

In the case of Independent producers, even if the sales are slack and income recedes, it will be alright if they spend less on household expenses for some time. They can even take rest by stopping the production of new commodities. But the same is not the case with capitalists. As profit decreases if sales

decrease, it will be a life and death problem for the capitalists.

If the requirement of the coarse cloth in the society as a whole (or in a given area) is properly estimated and the necessary amount of cloth gets produced, that cloth will be sold easily. Not just the 'cloth', but in the case of any commodity, there must be a 'plan' among all those who get the commodity produced. Only then, it will be a 'collective plan'. But all those who get a commodity produced are private capitalists. They are exploiters who accumulate property for themselves individually. Each one of them aims at securing more property than the rest. Among such people, a 'collective plan' is not possible. (There will come a stage when they can formulate such a collective plan. But not right now.)

All the capitalists also have plans. But, each of them has his own plan. One does not know the other's plan. They get commodities produced in proportion to the size of the capital. They hope to sell the entire quantity of commodities produced. At times they succeed also. But they face problems many a time.

Let us suppose that the cloth produced at all the coarse cloth capitalists is 500 meters. We may call this 'commodity supply'. (This is a day's supply). The situation wherein a certain quantity of cloth is sold in the market in a given day may be called 'market demand'.

Both supply and demand match if there is a demand for 500 meters when the supply of cloth is 500 meters. Then the entire commodity will be sold easily. As there won't be a collective plan in the case of each and every commodity, most of the time supply and demand of commodities never match one another. There will always be fluctuations.

All the capitalists who get coarse cloth produced constitute one branch of production. In that branch, there will be 'companies' of different capitalists. Each branch produces a particular kind of commodity. There will be capitalists of various levels (higher or lower) in every branch of production. Competition will be there among the companies of big capitalists who operate with huge capital and get commodities produced on a large scale. Every capitalist dreams of selling his own

commodities on a large scale and desires that the commodities of other capitalists must not be sold. He not only dreams but makes suitable arrangements. This is how it happens: If he can reduce the production costs of his commodity to some extent, he could sell it at a lower price. If he lowers the price he could sell more commodities than others. All his attempts are aimed at this.

However, to reduce the production costs of his commodity, he has to increase the 'productive power' (productivity). So far we have not seen the aspect of 'productivity'. This is a new term.

Competition itself will discover the path of increasing productivity. But the same path will create hurdles to competition.

First we have to understand the concept of 'productivity' ('productive power').

[There are no questions in this lesson] ★

74. Productivity (Productive Power)

Let us suppose that it takes 10 hours on an average to stitch a shirt by hand. If that shirt could be stitched in 9 hours, that is less than 10 hours, it means that productivity (capacity to produce or productive power) of stitch-ing labour has increased. But the question is, how to reduce the labour time if the stitching is done by hand?

(1) Changes should be brought in the 'tools'. (2) The person who labours must pick up the skill to do labour with changed tools.

Let us suppose that it takes 5 hours of labour consisting of old and new labour to produce a commodity. If that labour is reduced to below 5 hours, it means that the capacity to produce (productivity) that article has increased. If it takes more labour than 5 hours of labour to make that article, it means its productivity has decreased.

'Productivity' depends on the

people who do labour and the kinds of tools with which they labour. If a shirt is stitched by means of a small hand machine instead of hand, that work can be done very quickly. Productivity of the 'stitching labour' increases. If a shirt is stitched with a power-driven sewing machine instead of a manual sewing machine, the work will be done more quickly. The productivity of the stitching labour will increase further.

If weaving is done on a power-loom instead of a hand-loom, the productivity of the weaving labour increases.

If tilling the field is done by means of a tractor instead of a plough, the productivity of tilling labour will increase.

Raising productivity takes place by means of competition under capitalism. It first starts with a couple of big capitalists. Because, they aim at higher profit by reducing the cost of production and thereby reducing the price a little and by selling large quantity of commodities than other capitalists. Does increase in productivity take place merely by changing the tools? Won't there be any role of the workers? It is the intellectual labourers who make improved tools. The engineers and scientists who work for the capitalists too are workers. New instruments are produced due to the research which they conduct by means of their intellectual labour. In order to work with those new instruments of labour, ordinary workers undergo new training, learn new techniques and acquire new labour powers. The fact that a worker who tills the land with a plough learns how to till the land with a tractor implies that his labour power turned into another kind. There the reason for the increase in productivity is not simply the tractor. Those who made a tractor and those who operate the tractor are mainly responsible. Rise in productivity is due to workers only.

Now we have to see how labour (the cost) necessary to make a commodity decreases due to increase in productivity. Here we consider the tools and the workers only. We leave out the aspect of raw materials. First we have to see the situation of 1 meter coarse cloth before and after the rise in productivity.

Before the rise in productivity:

Old labour that goes into the

cloth through the 'handloom' is - 1. The living labour of the workers is - 5. The sum total of old and new labour is - 6. The price of the cloth is 6 rupees.

After the rise in productivity:

The old labour that goes into the same quantity of the cloth (1 meter of coarse cloth) is - 3. The living labour of the worker is - 2. Both types of labour taken together is - 5. The price of the cloth is 5 rupees.

The total labour necessary to make the cloth has decreased. The actual cost spent on cloth has decreased.

How has the cost decreased? What has decreased in the commodity: old labour or new labour? The old labour has not decreased. Moreover it has increased. Only the new labour has decreased.

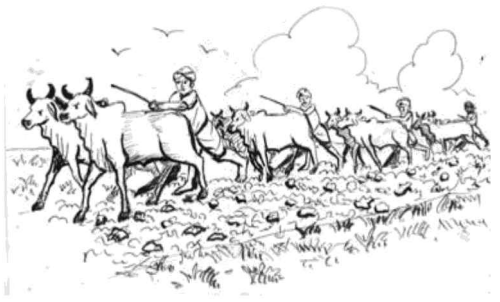
Old labour does never decrease. Because, in order to raise productivity, instruments of labour which are improved compared to the past must be brought into the workplace. Such instruments must have been produced by a large quantity of labour compared to the past. The labour that goes from these improved instruments to the commodity would certainly be greater than that which goes from the earlier instruments. Therefore, in order to raise the productivity, the labour that goes from the instruments of labour to the commodity should increase but not decrease. Further, the labour that goes from the new instrument would not be equal to the labour that goes from the old instrument.

If the labour that goes into one unit of a commodity from the new instrument is greater than that which goes from the old instrument, why should anyone bring such instruments which add more labour? Because the living labour necessary to produce one unit would decrease due to the new instruments. As a result of this, the total labour would decrease. Those new instruments move speedily owing to their design. The bodies of the workers move in accordance with the speedy movements of the instruments. Due to that speed, an article would be made in less time compared to the past. More number of units compared to the past are produced in a single working day and as a result, total labour time for each unit

decreases and thus its value decreases. Therefore, it would not be a problem for the capitalist even if the labour that goes into an article from the new type of instruments increases. In fact, the capitalist does not know the differences between these types of labour. He simply knows that the new instruments move speedily and as a result more number of units are produced as compared to the past. Whether or not he is aware of the changes, he would benefit whenever the instruments of labour are changed.

The old labour in a commodity is - 1, new labour - 5, and total labour - 6. In this example, the total labour - 6 must decrease even if the old labour has increased to 3. How does it happen? What is the second aspect in a commodity? New labour. Hence it should decrease. Decrease in the new labour should not be nominal. See the example of that coarse cloth. In the example where the productivity increases, the new labour decreased to 3. This means, <u>decrease in the new labour must be greater than the increase in the old labour.</u> Decrease in the 'total labour' happens like this only. As the total labour decreases, the value of the commodity decreases.

Decrease in the new labour in a commodity means decrease in the number of workers who produce that commodity. Let us suppose that 10 ploughs and 10 persons are needed to till a piece of land with ploughs. If the same work has to be done in the same period of time by means of a tractor, one person is enough. What is happening here? The expenditure of the tilling labour decreases compared to the past. The old labour that goes from the tractor would invariably increase compared to the old labour that goes from 10 ploughs. Even if it increases, the labour of 9 workers out of 10 will decrease. This is an increase in the productivity of tilling labour.



10 persons are needed to till some piece of land with ploughs.

One person is enough to till the same land with a tractor.

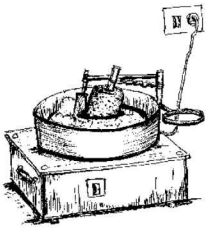
Now, it takes less time. It involves less expenditure. This means, the productivity of tilling labour has increased.

Hand stitching

Machine stitching

Time for stitching clothes with a sewing machine decreases to a large extent compared to hand stitching.

What does this mean?
This grinder is—a manual tool.
Pulses, water—raw materials.
These are—old labour.
Grinding labour—new labour.
Ground wet batter—new product.



Productivity has increased in the grinding labour. Time for grinding decreases to a great extent.

Let us see productivity in the labour of cooking.

Cooking takes place more quickly on a gas stove than on the earthen stove using sticks. This is an increase in the productivity of labour of cooking.

Instead of building a house on a certain piece of land, if many houses are built on the same extent of land, each house will be made with less cost. But if it is sold at a higher price, one will get adequate profit!

Productivity keeps increasing in any labour.

The fact that a reduction in the number of workers in producing any commodity implies loss of jobs for those workers. If 9 wages decreased in the tilling labour, there won't be surplus labour that comes from the

9 workers. However, the surplus labour obtained from the fewer number of workers in a given work would be greater than the decreased surplus labour. It is because, owing to the new productivity of labour performed with new instruments of labour in a working day of the past. Units of production now in a working day of the same length as in the past, would be many times greater than in the past. The necessary labour time which the workers spend for the sake of their wages will decrease to a great extent. The quantity of production allocated for the maintenance of the workers in the reduced necessary labour time will be either the same as in the past or even slightly more. But it means the necessary labour time has decreased and the surplus labour time has increased.

The increase in the portion of surplus labour — in the labour of the fewer number of workers when the productivity rose—will gradually diminish as the productivity keeps rising further. This will gradually ruin the capitalists. But the capitalists don't understand this.

The capitalists don't know how profit is obtained. They don't comprehend that profit is obtained due to the surplus labour of the workers. They think that profit is something which they obtain by 'simply adding something' to the 'costs' incurred. Therefore, they are totally unaware of the fact that changes occur in the size of the surplus labour in production whenever productivity rises.

Questions and Answers

1. Consider the old productivity as well as new productivity and show the change in the 'surplus labour' by way of an example.

A. The length of the working day is the same both in the case of old productivity and new productivity. Let us say, it is of 12 hours. The number of workers during old productivity is - 4. The necessary labour time of each worker is 10 hours. Surplus labour is 2 hours. The surplus labour time secured from 4 workers is: 4 x 2 = 8 hours. The number of workers in new productivity is - 3. The length of the working day is the

same. The necessary labour time of each worker is 8 hours. Surplus labour time is 4 hours. Total surplus labour time secured from the 3 workers is: 3 x 4 = 12 hours. If surplus labour increases, profit (surplus value) will increase. While the former surplus labour is 8 hours, the latter surplus labour is 12 hours. If we see this increase as percentage, it is 50%. When productivity increases yet again, surplus time will rise beyond 12 hours. That increase will not be 50%. It will be less than that and will either be 49% or even less. We have to understand the gist of the matter and should not take these figures as they are. Capitalists do not know about either increase or decrease in surplus labour.

2. Don't the capitalist economists explain all this to capitalists?

A. Those economists themselves do not know this at all. The teacher of the capitalist economist is a capitalist himself, isn't it? Economist knows whatever the capitalist knows. He does not know anything more than that. The entire knowledge of the capitalist is: capital must get interest and profit! His economist also knows only this point.

3. Illustrate the rise in productivity of labour of transport.

A. To travel a 5 kilometer distance, a cycle reaches more quickly than the bullock cart. A bus reaches more quickly than the cycle, a train more quickly than the bus, and an aeroplane much more quicker than the train.

75. The ideas of the ruling class are the ideas of the people!

In all societies, both of the past and the present, the ruling class is that of the masters. This is the exploiting class.

The working class is the one that is exploited. This is the class of the people. People are not the rulers.

The ideas of the ruling classes prevail as the ideas of the people. The concepts of rent for the land, interest and profit for the capital are the ideas of the ruling class. These are also the ideas of the people. Where did people get these ideas from? Only from the ruling class. Ever since the days of slave-masters, the source for people's ideas regarding a major issue or a minor one, is the ideas which the class of masters passed on to them.

We have seen that in the capitalist system, the productive forces are constantly multiplied for the sake of profit alone and competitions are waged in a cut-throat manner. There are many more such loathsome practices. The highly detestable 'trading of shares' is entirely the creation of the capitalist system. We cannot examine it here. Let us leave it aside and focus on a different issue, that of the horrid practice of changing the form of the products every now and then. Always new forms, brand new forms on the horizon! The latest model of today becomes outdated tomorrow. Eventually, the new one will also disappear making room for yet another new model. The sellers' know-how assumes that people would flock to buy if brand new models are offered constantly! They think if the same commodity is offered as a model different from that of other capitalists, the people would jostle to buy it! People do buy them! The buyers of the goods are not just the capitalists but also the working masses. The working masses also flock to buy the new items.

There are 4 chairs in the house of a teacher. One of them is a cane chair woven with bamboo. It was bought only a year ago. Catching a glimpse of the chair while walking in the market, and not having enough

money on his person, the teacher offered assurance money as an advance, ran home, fetched enough money, rushed back to the market and bought the chair. At home, all the members of his family prefer sitting in that chair.

Once, Annapurnamma, a fifty-year-old guest, paid a visit to their home. She was suffering from back pain. She was unable to relax in any chair. Sitting in a chair always aggravated her pain. She would only lie down on a plank or a wooden cot. This pain-ridden woman, seeing the cane chair in front, sat in it formally. She was later engrossed in her conversation with the hostess. An hour passed.

When Subhadra, the hostess, rose and said, "Let us make a move for dinner, sister-in-law," the woman-in-pain leaped out of the chair quite agilely like an antelope. She walked swiftly. Only then she remembered her back pain. She felt as if she never suffered from a back ache. Astonished, she said "What is this? I feel so good just by sitting in this chair! Could I really sit in a chair this long? I got rid of my pain in this chair". Having said so, she approached the chair again, examined it touching with her hands and settled in it again. "I will have my dinner only in this chair," she said.

Subhadra brought the plates with food to the chair. "Your brother always sits in this chair only," she said to her guest praising the chair.

"Then I will buy a chair like this and take it with me. Where can I find it?" the woman-with-back ache was quite eager to know.

That evening both the women set out to the market to buy the chair. They arrived at that very shop. There happened to be a variety of chairs and benches there – made of wood, card board, plastic and other stuff with decorations, weldings and fashions! But not the kind they wanted.

"We bought it a year ago. It is a tall chair, leaning backwards. We want only that chair," they explained.

The worker in the shop understood their requirement. He identified the model of the chair too. Having recalled everything, he finally said, "Well, that is an old model. How can you get a one-year-old model? So many new models have arrived now. Please have a look" he said.

Annapurnamma did not take

a look at any chair. “No. We want only that chair. Can you get that model made and give us?” she asked.

“The machines that make that chair must be obsolete. Where will we find those workers now?” replied the worker.

Annapurnamma felt quite let down.

They then searched the whole of the market. Visited many shops. There were piles of goods in the market! Chairs, chairs, chairs and benches! This model was not found anywhere. The workers in almost all the shops said the same thing! “Isn’t it the old model? Isn’t it previous year’s? Shouldn’t we change the old models? What comes to the shops, we sell. Isn’t the new model better? Why the old one?”

A worker in a shop was an elderly person. He explained at length, “You are asking for the old model, whereas others, as they enter, would ask, ‘have you got any new models?’ Even when the new ones are shown, they will ask for the newest ones. I worked in several cloth shops and footwear shops. Everywhere they demand the new models. They do not look at old models. Every one is habituated for this. Nevertheless, these are good ones! See how fashionable they are!”

Annapurnamma was on the verge of tears.

Subhadra consoled her, “Never mind sister-in-law, you can take our chair with you sister-in-law!”

“Alas! Shouldn’t you also own that piece of good furniture? Why do they keep harping on new model, new model? Should-n’t good things be availa-ble all the time?” the woman-with-back ache complained. Having visited shop after shop, her back also lost patience! “New Model, New Model”, the woman-with-backa che repeated with contempt.

“Well said. The other day when I went to buy a pan, I could not find the old type. They showed me a new one with all kinds of design around it. ‘Only these are coming into market these days,’ they said. What could I do? I brought home the new one. Moreover, it is more expensive. My neighbors saw the new pan and immediately ran to the market to buy a similar one. Indeed most people rush to buy the new models, sister-in law! In my childhood, we used to tie the loose end of the plaited hair with woollen pieces. We bought ribbons for our children.

The ribbons don't exist anymore. Only rubber bands. The vermilion cosmetics are gone. Everybody now uses only sticker dots!"

"Ridiculous!" sneered Annapurnamma.

While walking Subhadra remembered and started narrating an anecdote. "Has your brother ever sported a shirt with alphabet design before? He bought one such shirt a couple of days ago. Would it be decent for a teacher to flash such shirts? When I said so, he retorted saying 'don't you adorn sticker dots', and I had to shut my mouth".

For Annapurnamma the market appeared to have gone insane. "Too bad that the times are changing," she said in despair.

Perhaps she was not aware, it is not the time that changes. In the passage of time, in the course of the sun, over crores of years, not even a second would change. What changes is only the capitalist market! That is what goes mad! Madness of profit! Madness of imposing new goods on people! Madness of making people go insane! This is the market created by those crazy people!

A lad in possession of 10 shirts will buy a couple of new models when he comes across them in a shop although he is not really in need of the eleventh shirt. If not for the new models, why would he buy new shirts although he is not in need of them? A new model has arrived! Someone was seen wearing that shirt. It must be acquired!

Not shirts alone, nor trousers, starting from hand kerchiefs to bed sheets; from a tiny needle to a ship – every commodity must undergo some change. Is the changed system more comfortable than the previous one, nothing of that sort. Change only in fashionable exterior! That is its novelty!

Look at the pencils! The old pencils used to write with great sharpness. The pencils of today write faintly as if they are made of water. While sharpening, the lead inside the pencils breaks like broom stems. On the same pencil exterior – colors, English letters, designs, fashionable decorations, styles and much more!

Not just this or that commodity. Whether the commodity used is inside or outside the house, the shape of every item must undergo change. It is not

for superior quality. Not from the perspective of use value. For more profit! From the perspective of exchange value! The goal of every capitalist is to sell commodities in greater numbers than other capitalists. Not to sell high quality commodities. Should sell by some gimmick or the other. More profit out of more sales! To sell more, the commodity style must change rapidly so that the consumers would rush to buy the altered one. The capitalist knows that if a new model is displayed, even people who are not in need would buy it, that it is quite a simple task to make them go crazy for it.

It is the masters who undertake production of commodities. They are the capitalists. It is them who decide the design of commodities. Workers play no role in it. It is the duty of the workers to produce whatever their masters decide upon. Things won't stop there. All the products which the workers use are made out of the business tactics of their masters. Whatever foodstuffs are made under the auspices of the master and however adulterated, the workers must eat them. They must wear the brands of clothes mass produced by their masters. The workers must read only those cheap magazines that their masters publish. The workers must watch only those vulgar movies that their masters make.

The masters will decide each and everything: what the workers must eat, what kind of clothes they must wear, what they must read, what they must watch. The workers must produce and consume whatever is decided by their masters. Where is the scope for the workers to acquire different tastes?

The workers do not have an opportunity to decide what they want. The tastes of the workers will change in accordance with the goods which their masters produce. As soon as the models are changed, the tastes of the workers too would change accordingly. There is no scope for introspection to consider whether 'a certain thing is good or bad or a certain thing could be used or not'.

It appears as if the workers buy what they need out of their own choice spending their wages. This is a great illusion. They only buy what is available in the market. They buy what is available out there. More glitter the goods display, more enthusiastic the workers would

be in buying them.

The workers of intellectual labour, would fill their house with a great variety of items. All over the floor, all over the walls, all over the corners of the walls, all over the roof, all over the shelves, there would be plates, sheets, and art pieces! They feel it is great to decorate their house in this manner! As they collect a few stylish items in their cluttered houses, they believe their abodes too have now become as great as that of their master.

They too must taste the luxuries the families of their masters enjoy. They too must frequent hotels, roam around cities. What they visit at these places are temples and jewellery stores! These intellectual labourers are not concerned about how the factories and the workers in those factories fare in those new cities. If the workers of those places visit other places, they too are not bothered about all these things. Roads, shops, parks, hotels, and cinemas! After roaming around listlessly and spending money liberally at the temples, they come home harboring an illusion that they are living very happily!

All these ideas are their own. It appears as if the working class too has its own ideas and its own culture. This 'self-image', however, is nothing but trashy ideas of the class of masters passed over to the working class over several generations. Whatever is the sought-after value, luxury, pretention for the class of the masters, the same would be the objective and ideal for the poor workers who eke out a living out of daily wages! It is a great fallacy that the workers should have their own, independent ideas, own individuality and own culture in the absence of the knowledge of 'exploitation of labour' and 'master-labourer relation'! The reality is to imitate the ideas of the masters!

We should not blame the slaves of the past for mimicking the ideas of the masters. Nor should we blame the tenant farmers of the past times.

We must only blame the sections of the intellectual workers of the present day for being as backward as those slaves and tenant farmers. We must blame them for being unaware of their livelihood options.

As long as the working masses remain like this, their ideas would be nothing but those which they learnt from the ruling class.

Questions and Answers

1. Ask a tenant-farmer, "Why do you pay rent to the land which you are cultivating?" What does he have to say?

A. He will say, "Alas, the land belongs to the landlord, doesn't it? How can I refuse to pay land rent?"

"You give grain as rent. The landlord uses that grain. Will the land use it? Why should you pay rent for the land? Think about it."

"What is there to think afresh? The land belongs to the landlord, isn't it? How will the landlord's family live if it does not receive rent?"

"How are the families of tenant farmers living? You are working on the land, aren't you? Similarly the landlord's family too can do labour on a piece of land as you do, can't they? In fact, all of you can cultivate together, raise crops, share the grain and live comfortably, can't you? Think on those lines."

"No way! What are you talking? Does a guy with so much property step into the field and toil?"

"Don't ask, 'Will he do?' Should a human being, if he is a human being, do some labour or the other? Is it good or not to do some work or the other? Think along these lines."

"It is good for those who do not possess fields and the like. But why should a landowner do work?"

"How, in fact, did he get that land? Why didn't you get it?"

"His fathers and grandfathers had earned it and passed over to him. Did our fore-fathers leave us a single penny?"

"How did his fathers and grandfathers earn so much land?"

"I have no idea, perhaps earned it by toiling some time ago!"

This is how the discussion would proceed for any length of time.

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2. Ask any worker (male or female) who is working under a capitalist, "Why should the capitalist get profit? He can get wages just as you do, can't he? Why, then, should he take profit also?" What will the workers say?

A. They would say, "He invests a lot of capital. Shouldn't the capital get profit?"

"If he invests capital, he would get back the whole of it when he sells the commodity, won't he? With that returned capital, he can buy all the means of production which were spent earlier. Again, new commodities could be produced with those means of production. If the

capitalist works, he would get wages. Why, then, should he get profit?"

"What do you mean? Shouldn't capital always get profit? Who will invest capital if profit is not received?" the workers would say.

3. Ask the workers about 'interest' also. See what they will say.

A. They would say, "Shouldn't one pay interest when money is borrowed?"

4. How did the working masses acquire these ideas?

A. They got them from the class of masters, the ruling class. All the means of propagating ideas would be in the hands of the class of masters. That is, whoever possesses means of production would also possess the means of propagating ideas.

5. Give an example wherein the capitalists change the shapes of old commodities!

A.

New Look to ancient designs!

Bangalore (Online): On the eve of Deepavali festival, Kirtilal Jewelers have released brand new ornaments into the market. G.K. Sripathi Rao, the regional manager of Kirtilal's told that they were refashioning the most antiquated traditional jewels with modern designs. He also said, they have transformed brand new ornaments into antique style. (*Andhra Jyothy*, 9-10-2009).

The capitalists change the shapes and forms of each and every commodity like this. They change new ones into old ones and old ones into new ones! These changes in shape are not for addressing new needs but for promoting sales. Customers would buy again if the commodities reappear in new form. This is a business tactic! People would buy those goods even if they don't need them. What is the job of this manager in the photograph? Wearing a tie, posing smartly and showing off a jewel! That is all the labour this gentleman does!

What do the ordinary working people learn in such an environment other than such ideas? ★

76. Heavy machinery, aeroplanes, computers: all are tools! Same as a needle!

Increase in productivity does not happen simultaneously at all capitalists in a given branch of production. Initially it happens with one or two big capitalists. Since they possess huge capital, they can dispose of the older tools (they will be sold to smaller capitalists) and replace them with improved tools. Old workers require fresh training. Alternatively, new workers adept at working on new instruments of labour will be needed. The wages of the workers who possess the new skill would go up.

Two factors are necessary in order to increase productivity: (1) improved tools better than in the past and (2) workers who possess the labour skill which is technically better than the previous one.

Let us suppose that in the coarse-cloth industry, the productivity has increased at only one capitalist. At his place, the cost of 1 meter of cloth has decreased. Prior to the increase in productivity, 6 was the total labour necessary for producing the cloth. After the increase in productivity, the total labour was 5. Would the capitalist reduce the price of the cloth because the cost has decreased? He will try to sell the cloth for the same 6 like before without reducing the price. If he maintains the cost, the profit will increase than before. Alternatively, if he reduced the price 6 a little, he will be able to sell more commodities than others. Even this way, he will be able to make more profit than before. As per his convenience, he either maintains the old price or reduces it marginally. Either way, the capitalist who increased his productivity first will make more profit than others who do not have so much productivity. Increasing productivity is solely for increasing the profit. This will continue

as long as other capitalists in the same branch of production cannot catch up with increased productivity. Until that time, the capitalist with increased productivity will keep earning enormous profits.

This, however, will not continue for long. Many other capitalists in that branch will also attain new productivity pretty soon.

When all of them attain new productivity, they will all be able to reduce the number of workers. The cost of production will decrease for all of them. The capitalists in that same branch of production will compete with each other and slash prices as much as possible to sell more commodities than the rest. The old costs and old prices will disappear altogether. Gradually, the reduced price will become the actual price of the commodities. The higher profit which a couple of capitalists alone used to get will vanish. Eventually, if productivity improves further, the costs will reduce and prices will decrease further.

We must understand several issues related to 'productivity' properly and carefully.

(1) Is the increased productivity good or bad?

(2) Does higher profit earned due to increase in productivity come from new tools?

(3) To what extent will productivity improve? Where will it stop?

We must find answers to every single question of this kind.

In societies of the past, there was no competition in selling commodities. This does not mean that the past societies were better. In comparison, the past societies were more barbaric. In comparison with the slave and feudal systems, capitalist system is certainly more 'progressive' in a sense. However, given that all of them are exploiting societies, they have evil characteristics in common. In addition to the common evil characteristics, each has its own unique unethical properties. 'Competition' is a unique unrighteous property that originated in the capitalist system. Since the societies of the past did not take up production of commodities, there was no evil of competition in those societies.

The exclusive objective of the capitalist system is to earn profit from the capital! That means, earning more money from less

money. Earning profit endlessly—again and again, any number of times- with the money invested once (with the same capital). Not a tiny profit, but huge heaps of profit must be earned! The way leading to it is – competition with other capitalists! One should be able to sell more commodities than the rest. To achieve that, the prices of the commodities must be reduced. To achieve that, the production cost must be reduced. To achieve that, productivity must be increased. One must be in possession of greater productivity that the rest can't afford.

But, in every branch of production, the increased productivity which initially occurs at one or two capitalists, eventually will make its way to all the capitalists. The price of the commodity will reduce at all the capitalists and the reduced price will become the regular price. The situation of those who could reap more profit until then, will be back to square one. The percentage of profit for all the capitalists will become uniform. As a result of increased productivity for all, the higher profit earned by some for some time will disappear.

Then, what the big capitalists resort to is to increase productivity yet again! They fetch further advanced instruments of labour, hire new workers with improved labour power and fire previous workers! Reap more profits again!

But, after a few days, the new increased productivity will be within reach of all the capitalists. The increased productivity will become saturated at the capitalists who initially improvised it. Their profits will dwindle. What happens next is to multiply their productivity again! There is no end to this process.

The capitalists do not understand the cause of even a single problem. Even if they do, they do not like it. Whenever new profits shrink, the only solution they find is to increase productivity. They neither have the perspective, nor entertain questions such as 'to what extent must the productivity be increased? Where to stop it?' They must have higher productivity than others, that's all. That is the aim of every capitalist!

If the productivity in a given branch has increased, it must get raw materials more quickly than in the past. The productivity in those branches that supply the

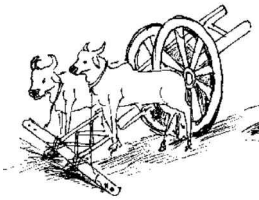
raw materials too has to be increased. The same thing applies to branches which supply auxiliary materials. The products of almost all the branches are linked and interconnected. When the productivity of one branch increases, the other branches will not remain stagnant. Productivity keeps improving at all places, then keeps getting stagnant and keeps improving again.

A heavy new machine has arrived at the work place of a capitalist. Workers who could operate the machine too arrived. Productivity has increased. Profit too increased there. Is the machine the cause for the increased profit? – No. The machine as a tool is an inanimate tool like a 'needle' or a 'scissors'. A needle doesn't perform labour. A scissors too doesn't perform labour. Likewise, however huge a machine may be, it doesn't do labour. It is not the machine which performs labour. It is always the humans who do labour. A machine runs only when humans operate it or stops if stopped. Any tool, however heavy it may be, will not give more value than it has by the time it becomes old. What applies to a needle is applicable to a heavy machine too. A superior tool and more skilled workers, both are responsible for the increase in productivity. But for the earning of the profit or for its increase or decrease, the tool is not responsible. Only the surplus labour of humans is responsible.

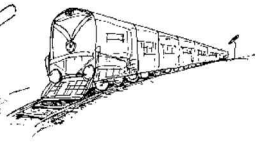
In the capitalist system, invention of new machines becomes a unique feature for constant increase in productivity.

What is the role of the needle? It is a tool in the stitching labour.

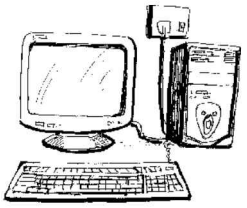
What is the role of the aeroplane? It is a tool in the labour of transportation.



A tool with less productivity.



A tool with higher productivity.



computer

What is this? A tool with higher productivity in the labour of storing and sending information.

Strange developments are possible due to machines. But, unless we understand properly the fact that 'machines do not perform labour', it appears as if 'the machines do the labour and so much more labour' when we look at them. This perception is erroneous. Buses, trains, aeroplanes, computers - all are machines. With respect to 'doing labour', a machine is not very different from a needle.

With regard to yielding value, any machine, however large it may be, will give whatever value it has, neither less nor more than what it possesses.

Won't the capitalist possessing increased productivity earn more profits up to a certain period? That 'additional profit' is also earned from the surplus labour of the workers, not from the new machines. We cannot, however, examine all these calculations here.

Apart from new tools, there are a few more causes for the increase in productivity. Attempts are made in multiple ways to reduce the time necessary to produce something. In the labour of raising living things such as plants, animals and fish, many kinds of chemicals are used. An animal like sheep grows in 2 or 3 years in a natural way. But it will grow within 6 months if chemicals are administered. In such a case, the labour time necessary to rear a sheep decreases and more profit is obtained. If we spray chemicals over vegetable plants, which naturally grow in four months, the plants will grow within 2 months with a weight four times more than their usual weight.

Profits increase if we resort to adulteration in the production of everything: milk, cereals, medicines etc.

It is not possible to think about ethics, health, and naturalness in any business under capitalism, whose exclusive aim is to secure nothing but profit. Terms such as ethics are meaningless under capitalism.

Wherever and in whatever manner profit has increased or decreased, the cause is nothing but labour. When we deduct the portion of means of production from the price of a sold commodity, whatever remains, whether it is more or less, belongs to living labour only. If we deduct the portion of wages, surplus value remains.

We should never forget the fact that "whether huge or small, profit is invariably earned from surplus labour".

Questions and Answers

1. Stitching by hand has been outdated and machine stitching has been introduced. Productivity in the stitching labour has increased. Isn't stitching machine the reason for it?

A. No. While referring to 'productivity,' we must consider the tools as well as people working with the tools. We should not consider any one aspect in isolation. If there is a stitching machine, shouldn't people who are adept at machine stitching also be available? The machine is made by workers who knew machine technology and it is workers who are acquainted with the new labour power that work on the machine. The actual reason for increased productivity is the workers who work.

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2. Let us suppose that the value added to the shirt is one paisa when the shirt is stitched manually using a needle. If the same shirt is stitched using a machine, will the value added to the shirt through the new tool be higher or lower than a paisa?

A. Certainly higher. It will take several thousand times more labour to make a machine than to make a needle. However, while only 1 or 2 shirts are made using the needle, a few hundred thousands of shirts will be made using the machine. If we go by all these calculations, the value added to the shirt through the machine is invariably higher than what is added through the needle.

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3. It takes 10 hours to stitch a shirt manually. On the machine it takes only 2 hours. In that case, will the labour of the machine worker have a value of only 2 hours while that of the manual labour is 10 hours?

A. Not so. For identical work, work of more hours will have higher value and work of fewer hours less value. The manual stitching work and the machine stitching work, however, are not identical. Their values will not be identical. They are different. Not only that. Labour, regardless of the form and duration of hours, when converted into value, will not be counted as same number of hours of value. In terms of value, manual stitching work of 10 hours will not remain as a value of 10 hours. It will either be higher or lower. We need to consider an example here. Let us suppose that labour of 10 hours will be counted as a value of 4 hours. Likewise, we must also convert the hours of machine stitching. Let us suppose that the value of 2 machine stitching hours is 3. The value of the machine-stitched shirt should be lower than the value of the manually

stitched shirt. The value added through the tool to the machine-stitched shirt will increase and the new labour value will reduce. When these two combine, the total value will decrease.

4. When productivity is low, the value of a meter of cloth is 6. Let us suppose 2 is its surplus value. After productivity has increased, the value of the same cloth now is 5. If the cloth is sold for 5, will its surplus value still be 2?

A. It may be under certain circumstances but not in others. The capitalist increases productivity to earn more profit than before. Although the production cost has reduced by increasing productivity, he will still sell the product at old price to make more profit. If the commodity is sold at new price (reduced price), how much would be the profit? It depends on several factors. The profit certainly will not be less than before. This is because, although living labour added to the commodity has reduced to a small extent, the 'surplus labour time' will increase since the 'necessary labour time' within that value has decreased. In this manner, the old profit will either remain constant or increase a little.

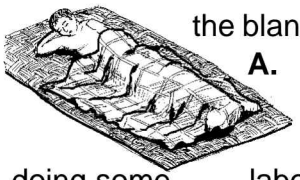
5. Computers have arrived on the scene. What labour, then, remains for the workers to do?

A. We don't raise this question if we understand computer as a tool. If the worker who works on the computer remains 10 hours daily at the work place, it means that he is working 10 hours daily. His working day remains the same before and after the arrival of computers.

6. What do we mean by percentage of profit?

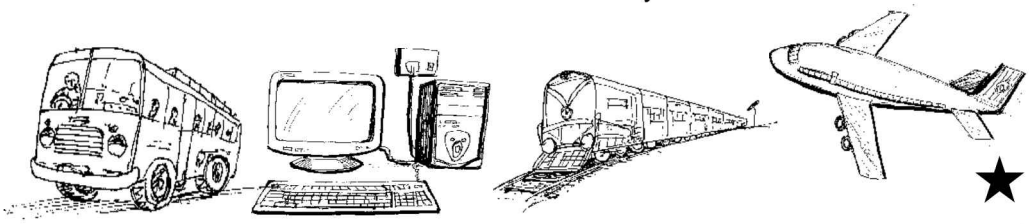
A. If one gets 5-profit on 100 capital, the percentage of profit is 5%. If one gets 6-profit on 100, the percentage of profit is 6%. Another name for percentage of profit is profit rate.

7. What are these: the mat and the blanket? Are they tools?



A. Tools are those which we use when doing some labour. Sleeping is not the same as performing labour. Hence, the mat and the blanket are not tools.

All these are tools only:



77. Unemployment is the creation of Capitalist system!

If productivity has increased in a branch of production after the introduction of improved tools, it would mean that a large number of workers have been rendered unemployed there. One of the unique evil of the capitalist system is – unemployment. This did not exist in the old societies. None among the slaves would remain unemployed. None among the tenant farmers would remain unemployed either. They would always find some work so as to earn their livelihood. Unemployment is the creation of the capitalist system alone. To understand this aspect, we must examine and evaluate a few things here.

Let us consider one labor or the other. Either the labor of 'weaving' or that of 'stitching'. This labour can be performed either with a tool or a machine. The labor of tilling can also be performed either with a plough or a tractor.

More labor is needed for the manufacture of a tractor than for the making of a plough. If the total labour necessary for making a plough is 2 hours, let us suppose that the total labour necessary for manufacturing a tractor is 12 hours. (Here we have to understand the gist of the matter. We should not take the figures as they are). Extra labour of 10 hours is necessary to manufacture a tractor as compared to a plough. This means, the number of jobs needed to manufacture a tractor is more than that required for the making of a plough. Absolutely true. However, it is not sufficient if we look at this matter only upto this point.

How much labor would a tractor — made from an extra labor of 10 hours than that of a plough — reduce through its presence at the work place? In other words, how much of the work previously needed for tilling with a plough will be reduced as a consequence of replacing the plough with the tractor? Will the tractor reduce the labor by 10 hours only? If labor of 10 hours

has increased at the workplace where tractor is produced and only 10 hours of labor is reduced at the workplace where tractor is utilized, then it would not be equivalent to the increase in productivity. Increase in productivity doesn't mean that the amount of labour time which increased at one place is proportionate to decreased amount of labor at another place. The quantum of labor reduced should be much larger than the labor that has increased. During the lifetime of the tractor that was made from 10-hour excess labor as compared to the plough, there must at least be a reduction of 11-hour labor. Only if it happens so, it is equivalent to the increase in productivity. Only such an instrument of labour could enter the work place.

Heavy machineries will reduce the labor by several hundred times at the work place if the time taken for their making is compared to the time they reduce. Although more labor is required (more jobs are created) at the site of production of these heavy machineries, a large number of jobs are eliminated many times at the work place where these machines are actually used. Suppose at the place of tractor production, additional jobs are created for 10 persons as compared to that of the making of plough, it will make the jobs of 50 people redundant at the work place where the tractor is used. The capitalists introduce machines, not to maintain the original number of workers but only to reduce them.

Question: Does it mean that increase in productivity is not good?

Answer: To understand if an issue is good or bad, we must consider its relations and context. In isolation, 'increase in productivity' is certainly a good thing. Grinding paddy in a mill, instead of people pounding the same in a rice-pounder, would reduce the physical labor. The labor time will be reduced. Stitching clothes with a machine, instead of doing the same manually, will reduce the physical labor as well as labour time. Therefore, increase in productivity in any field of production is an excellent thing. A fabulous thing. However, if the increase in productivity takes place in the realm of 'the master-labourer relation', and if it remains under the control of the master, the positive aspects of this outcome (the consequence of increased

productivity) will not reach the workers. They will only favor the master.

At the work place of a capitalist, 10 workers are employed. Their working day consists of 10 hours. Superior instruments of labour have arrived there. If all the 10 workers work on the new machines, the quantum of work as previously done will be completed in half a day. What must be done now? All the 10 workers must be trained on the new machines. The workers must continue in their jobs. But, the work hours for all must be reduced. If events take this turn, then the working people are benefited. This, however, is not a beneficial thing for the capitalists. Here, we must learn a new term called 'contradiction'.

'**Contradiction**' means conflict, opposition. Don't we see here a class of the masters that exploits labor and a class of workers that is exploited? Any aspect that favors one class harms the other class. That means the situations of those classes are in contradiction. When productivity at the work place increases and the working time of the workers decreases, it will be harmful for the master because that change will not earn more surplus labor for the master. In contrast, if the working time is not reduced despite an increase in production, it would be detrimental for the working class. It is the working class which experiences both harm and benefit. The benefit or harm which the master class experiences is not real or genuine. If the labour time of the workers decreases, we can't say, 'Alas! It is harmful to the master!' But it is harmful in the master's view.

When productivity increases at the work place of the capitalist, he will remove some of the workers. He will impart new training to other workers or employ brand new workers. That means, as a result of increased productivity, a large number of workers will lose their jobs. The working time of those workers who are retained does not reduce at all and remains the same. They will have to work for the same duration as they did before the increase in productivity. Regardless of the magnitude of the increase in productivity, the working hours will remain the same. The workers who remain employed will be toiling 'full time'. Then what is the benefit of increased productivity for the workers?

Within the realm of the master and worker relation, even if the productivity is increased 100 times, it will benefit only the masters but not the workers.

Another problem is encountered in the case of 'increased profits' of the masters. As the number of the workers is reduced, the 'surplus labor' earned from the workers is also proportionately decreased. The real profit is earned from the surplus labor, isn't it? The capitalists fail to understand why the profit rate is dwindling when heavy machines are employed and productivity is increased. Since they do not have the concept of 'surplus labor', they do not think from that perspective. As soon as the profits shrink, they increase productivity and aggravate the problem further.

As productivity increases, the problem of unemployment keeps escalating in all branches of production. Since that is the case, should the workers oppose increase in productivity? Should they destroy the improved machinery installed at the work place? This is an absolutely wrong proposition. In the past, when machines made initial entry, the workers foolishly indulged in destroying the powerful machines. Instead, what should have been done was that the worker movements should have proceeded with an aim to abolish the capitalist system. Since abolishing the capitalist system is not possible immediately, opposing the heavy machinery would also become necessary under certain circumstances. Otherwise, the movements should demand jobs for all with reduced working hours. But, the workers may not even achieve short-term good results due to such movements. Unemployment is inevitable. Hence, the actual movement should aim at abolition of capitalism.

Constant increase in productivity will also pose a new problem for the capitalists. The grim problem of selling the heaps of commodities! Every day more goods are produced than the day before. A capitalist who could sell a cloth of 100 meters with relative ease will invite the trouble of selling the cloth of 200 meters by multiplying the productivity. The productivity will go up even further, to a thousand or 2 thousand meters. In any capitalists system, the goods are produced not keeping

in view 'the real requirements' of the system. The goods are produced not even with the understanding of the 'market needs' as to how much of a particular commodity can be sold in the market. This is only done with greediness to acquire more and more profit.

The unique characteristic of the capitalist system in producing the commodities is not to generate just that much quantity that can be sold but to attempt at selling as much produce as is produced! Not production as per demand but to create artificial demand as per production!

This problem of unemployment did not exist in societies of the past. In the context of the 'slave-master and slave' relationships every slave would have a master. He would make the slave work for him. He provided food for the slave. It is an altogether different issue that the provided food might not satisfy the hunger of the slave.

Under feudalism, every tenant farmer would have a piece of land. There would be an opportunity to do labour and thus the means to satisfy hunger. But, the new problem of not getting work and consequential lack of food arises only under capitalism. By this we should not infer that the past societies were better than the present-day capitalism. We need to understand what the new problems are and how they cropped up under capitalism.

Increase in productivity is a very good thing. It reduces the labour time of human beings. But such a good thing is under the control of capitalists and hence its good result goes to the capitalists and not to those who perform labour. Unless we understand the connection between the increase in productivity and unemployment, we cannot understand the nature of capitalism. We also won't be able to understand what kind of further problems it would lead to.

When productivity increases and goods pile up in heaps, the regular marketplace is not sufficient to sell all those heaps. Even one's own country will not suffice. The population of that country cannot buy all the produce. In that event, the only way left for the capitalist is to load the goods on ships and go in search of foreign markets! There will be local capitalists in those foreign lands. Or else, there will be independent producers in those countries. They too

produce similar products and sell them. The foreign capitalists compete with the local capitalists and sell their products at lower prices. Neither the local capitalists nor the independent producers will have superior productivity. Their products are not made at less expenditure. To stay in competition with the foreign capitalists, they, however, will be forced to sell their goods at lower prices. Gradually the local industries will suffer losses and will be destroyed. The local independent producers will be wiped out even before the local capitalists. As a consequence of these developments, conflicts rage and severe restrictions will come into effect between the capitalists of different countries and finally lead to 'wars'! Or else, they lead to the surrender of the local capitalists.

Questions and Answers

1. Let us suppose that the value of a tractor is 100 times higher than that of a plough. Will the durability of a tractor in tilling the land also be 100 times more as compared to that of the plough, just as the difference in their values?

A. It is true that between the tools designed for the same labour, the one that contains higher value (made out of more labor) lasts longer than the other. The difference in their durability, however, will not remain exactly the same as the difference in their values. 'Value' is an element formed from the quantum of labor expended. 'Durability' is a property determined on the basis of the physical qualities of the matter that went into its making. The difference in the durability therefore doesn't exactly depend on the difference in the value.

2. Regardless of the number of the machines present at the work place of the capitalist and the swiftness with which the work is performed, the work day of the workers still remains full time, the same as before. Even after the advent of the machinery, the work duration of the workers is not reduced. If an independent farmer has a tractor, will his work hours reduce?

A. It will certainly reduce. Let us suppose that the independent farmer's family has a land of 4 acres. Let us also suppose that it would take 10 days to till that land with ploughs. If the same land is tilled with a tractor in 2 days, the farmer can have a leisure time of 8 days if he desires. Otherwise, he may work intermittently. There is no stipulated condition for

his work other than to 'work enough for his maintenance'.

3. An independent farmer has a tractor. He will till the land of other farmers with his tractor and earns a value for his labor. Will he remain an independent farmer even after that?

A. Tractor is a tool (an instrument of labour). The independent farmer himself performed the labor of driving the tractor. He would get the entire expenses of the tractor. Nothing is reduced from this amount. In addition to this, he would get the entire value of his labor. Therefore, he would be an independent labourer with reference to driving the tractor. In contrast, if he gets a reduced value for his labour, it would mean he worked as an agricultural labourer. It also means that he lost some amount of labour in return.

4. Is it the responsibility of the capitalists to ensure jobs for all people?

A. It is neither the responsibility of the capitalists, nor the landlords or their government. This is the most serious flaw of the capitalist system. It is not the responsibility of the capitalist to provide jobs for all the people. His responsibility is only to multiply his money. For people to have a square meal twice a day, they should either have a piece of land or a job that provides a salary every month. When they have neither, they are unemployed. No Law in the capitalist government finds it an offence when a capitalist increases productivity at the work place and drives out a large number of workers. There is no law under capitalism which proclaims, 'All must be provided with jobs'. The problem of unemployment is multiplied several-fold in both private capitalist system and in capitalist government system. Majority of the working population neither have land nor jobs. They have no means of livelihood whatsoever. Yet their livelihood is their own problem. They must survive somehow.

5. Is there unemployment in all the countries? Isn't there any country where there is no unemployment?

A. No such country exists. Unemployment exists in every county where there is capitalism. As capitalism exists in all the countries, there is unemployment everywhere. Even in China which claims to be a 'socialist' country! While curtailing jobs from their own populace, the capitalist companies in every country get workers from other counties who work for salaries lower than what the local people are paid. It is their business and whatever they do, it is their will and pleasure. The capitalists do not entertain the question, 'how can the native population live if they are not

provided jobs'. It is not the responsibility of private capitalists to provide jobs to all! The capitalist government too does not have that responsibility. In societies based on exploitation of labour, we don't find laws that say, 'every family must have either land or a job. It is the responsibility of the society and the government that rules them to provide livelihood to its people'. For the past so many years the capitalist governments have not been referring to their 'labourers' either as 'labourers' or 'workers' but as 'human resources' like raw materials and machines. Those governments are not concerned about how such a reference insults human beings. Every country is drawing 'labour resources' cheap from foreign countries while the populace of those countries is starving without jobs. The foreign workers go to other counties as they don't have employment in their country! Read the following news item which tells the plight of workers in China which boasts of being a Socialist country.

"China's Batallion into the country!"

China is exporting Chinese citizens who sell their labour power at cheaper rates to other countries. It is the strategy of China to identify those countries where developmental activities are in full swing, export Chinese to those markets in a clandestine manner and get rid of unemployment problem in their country….There is dearth of skilled human resources throughout the world. There is dearth of such specially skilled experts in India as well. Keeping this in view, the Indian government is issuing business visas to Chinese to work in India. Recently, the number of those Chinese who secured visas and entered India has increased considerably. All these people are technically not so specialized…..If you visit industrial areas in Bihar, West Bengal and other states, you will find Chinese workers in large numbers. Thousands of Chinese workers are getting jobs in these industrial areas and depriving the local population of the jobs. Many Indian companies like Reliance Industries, Tata group, Reliance Power, Essar Power are hiring Chinese workers….In 2007, the government of India issued 1.6 lakh business visas to the Chinese. However, the external affairs ministry found out that out of those visas 30,000 have been misused and that only unskilled workers have been stepping into India via this channel….All these workers are going to those areas where construction activities are underway on a large scale. In fact, our country does not need Chinese so much. Even if it is felt that their skill is essential, it is enough if we train the local people. But the Indian companies are not bothered much about this aspect. As a result, the Indian citizens are deprived of employment opportunities and the Chinese are in a position to secure employment without any problem….The number of Chinese workers is increasing day by day. By June of this year, it is learnt that about 30,000 Chinese workers have arrived in India. As the situation is turning critical, there is some reaction from the Indian side. The government announced that it will stop issuing business visas to the Chinese….on the one hand India is arguing that there shouldn't be sanctions against the movement of human resources and on the other it has to fight with China on the same issue. *(Andhra Jyothy, 4-10-2009, page: 6)*

There is no country where there is no unemployment. Under capitalism, as productivity increases, the problem of unemployment will only increase further. A portion of the working population is destroyed due to famines, wars and other problems generated by capitalism. Of the living populace, only a small portion is employed. The remaining portion is either facing unemployment or pursuing a criminal way of life! If the working class cannot put a stop to this world of exploitation of labour, profit-oriented capitalism will thrive and destroy the entire globe in due course of time. ★

78. Every wage is not 'the value of labour power '!

All men and women who work with an employer – be it the landlords, the productive capitalists or commercial capitalists or money lending capitalists, the government or private homes – and who live on 'wages' are workers. Among those workers, there exist differences of productive and unproductive labour, or manual and intellectual labour. Depending on the nature of labour, a given amount of 'value of labour power' is the wage of that worker.

The existence of 'some amount of difference' between manual and intellectual labour is appropriate according to the logic of the law of value. However, there must be logic defining how small or large the difference must be. For a person who performs labour, there should always be adequate food to fill her stomach and all her needs ought to be satisfied. The law of value doesn't stipulate that the toiling person should live on half-filled stomach. In that case, 'the difference' in value between different types of labour should be significantly less.

But the societies that have been in existence on earth are under the control of the masters, who are exploiters. These societies urgently and compulsorily require the support from intellectual workers and artists. In these

societies, therefore, high intellectual labours would fetch higher salaries.

In a capitalist system, the salary of a University professor remains 20 to 30 times larger than that of a bus driver or a postman. It is not so only in the matter of salaries. In addition to those fat salaries, they get several special privileges. Whatever be the kind of labour that people perform, they need the same food and shelter. The difference in the quality of food between the professor and the postman is commensurate with only the logic of exploitation and none other.

The perspective of those who do high level intellectual labour demanding huge salaries would be: "We received higher education. We are great intellectuals. Our income should be one hundred times more valuable than that of an agricultural labourer." They say and feel like that.

There is another anomaly regarding the wages. This anomaly relates to the salaries of those people such as presidents, governors, chief ministers, prime ministers, other ministers, collectors and directors! If we measure the salaries and the bundle of special privileges that these people receive, there will be no correlation between 'the heaps of value' and their 'value of labour power'. If at all they perform any 'labour,' it will only be 'unproductive labour'.

If a minister boasts of 'toiling for 18 hours a day', there will be no trace of even 'unproductive labour' in those 18 hours. All these hours of labour would constitute neither 'labour' nor 'work'. No person who toils 18 hours a day can become a president, a governor, or one or the other sort of a minister. A worker of 18 hours would be the manual labourer toiling 2 successive shifts in a mine or a factory. Therefore, the salaries earned by the great ministers are nothing but a part of the mass of surplus value of the productive workers.

Milk is white but all that appears white is not milk.

'Salary' is certainly the value of labour power. However, everything that takes the form of salary is not the value of labour power.

Only the wages of workers qualify to be defined as 'wages'.

The salaries of the capitalists, the presidents and the governors are all false income under the guise of 'wages'. The activities of the president who receives salary every month do not consist of either manual or intellectual labour. The ministers are also of the same kind. They only pretend to be working hard, no more no less.

As the capitalist system keeps increasing productivity gradually in its own way, the problem of 'unemployment' grows progressively. The solution identified for this problem by this system is 'unemployment allowance'! Tossing alms to the unemployed! The teeming lakhs and crores of unemployed people who are willing to perform any kind of labour must remain without work and be content with the alms thrown at them and perish prematurely, starved, sick, and humiliated! Alternatively, they must end up as mad people, thieves or murderers!

Where does the unemployment allowance distributed by the government come from? Only from the taxes. Where do the taxes come from? From the surplus value of productive workers! It means those workers who lost their jobs are granted subsistence only from the labour of workers who are still employed.

The unemployed people also manage to live somehow. But depending on others' labour!

If the society provides an opportunity for everyone to work, one would live from one's labour. One must live from one's own labour and with self-respect. This, however, is not possible in any society based on exploitation.

Until capitalism came into existence, the independent producers (independent artisans and farmers) used to live in relative peace. However, as a consequence of gradual progression in productivity, the independent producers too started facing difficulties. They cannot compete with the capitalists in the sale of their goods. Things like grains, vegetables, milk, garments and furniture are produced by the capitalists as well as independent labourers. These things are, however, made with more labour at the independent producers while they are produced with less labour at the capitalists.

The prices of these things,

however, must be the same regardless of where they are made. If a capitalist gets 1 liter of milk produced with a total labour of 2 hours, the same might take a total of 10 hours at the independent farmer. Likewise, the making of 1 meter of cloth at the independent weavers might require 4 times longer time as compared to that of the capitalists. That means, while the goods are manufactured at less value at the capitalists, the same kind of things are made at a higher value at the independent producers. Nevertheless, the independent producers too must sell their commodities at the same price as that of the capitalists. Otherwise no one would buy their commodities. In this manner, the independent producers lose a significant quantity of their labour wastefully. Although they toiled for 10 hours, they receive a value of only 2 or 3 hours.

In this competition with the capitalist-commodities, the income of independent producers will fall down to a level whereby they cannot obtain a minimum level of subsistence, which even ordinary workers can. Independent farmers, independent artisans and independent merchants gradually lose their independent livelihood and transform into workers under the control of the capitalists. Independent producers, in this manner, increase the population of the working masses. Even there they will be snared in unstable employment and unemployment.

Doing any labour at the personal or individual family level is, however, not beneficial to the workers. Logically speaking, doing work collectively with several other people and several other families is safer for all.

If we consider 10 farmers, all of them may be working hard and each of them may possess a couple of acres of land. However uniformly each of them might toil in a year, one might reap a better harvest whereas another might reap a low harvest. One year, one might get a moderate harvest while another might face no harvest. They experience both gains and losses individually. Thereafter they have no alternative except to carry on living with superstitious trust in their fortunes. Instead of this, if all of these 10 families combine their pieces of land

together and the members of all the households work in the land collectively as per specified duties, regardless of the nature of the harvest, either good or bad, they can face the outcome together. The living conditions of all will be equal.

Just as the lives of the workers are destroyed under the capitalist system, the lives of the independent producers are reduced to a state worse than that. Regardless of how hard they toil, their labour does not confer peace and comfort to anyone.

Questions and Answers

1. Should there be distinctions in food and shelter between intellectual labourers and manual labourers?

A. No, there should not be any distinction. Since there exist differences between the two kinds of labour in terms of expenses connected with learning the skills and retaining them, such differences in wages should exist only for such reasons.

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2. Whenever we perform labour, some energy in our body is spent. We can measure that energy in terms of calories, can't we? Why should we calculate labour in terms of time? We have to calculate the average number of calories burnt for 1 hour of tilling the land and 1 hour of teaching. Can't we determine the values based on the number of calories burnt?

A. If we consider one particular intellectual labour and one particular physical labour of the same duration, more number of calories are burnt while doing physical labour as compared to intellectual labour. It follows that if we go by the number of calories burnt while doing some labour, labour of tilling should have more value than the labour of medical treatment. If the labour of medical treatment possesses less value than the labour of tilling, there would be no people who would like to become physicians and it would not be possible to impart medical education. The main reason for the formation of value for any given labor depends on the kind of things needed and the time necessary to acquire that labour. To learn the labour of tilling the land, we need a plough and oxen. (Land is also necessary. Land is

necessary to learn any kind of labour. Human beings, as well as tools, must be available on the land.) To learn medical education, we need many things such as many years of study, many books, teachers, laboratory equipment etc. If we calculate these factors in terms of calories, many more thousands of calories would be necessary to learn any intellectual labour compared to learning the labour of tilling. All people need food and shelter in common, irrespective of the kind of labour they learn. But the process of learning a particular labour makes a lot of difference. Due to these differences, values of different types of labour would be higher or lower. Whether we consider a given labour in terms of calories spent or in terms of duration needed, intellectual labour would necessarily have higher value than physical labour. The only point we ought to focus upon is that the difference between their values should not be too much.

3. Let us suppose that the independent producers, in their competition with the capitalist commodities, would get a value of labour of only 2 days from the commodities produced with 10 days of their labour. What will happen to the rest of 8 days of labour performed by the producers? Will it go to the capitalists?

A. Their labour of 8 hours will go waste. That labour will not reach the capitalists. There will be no connection between the capitalists and the labour of the independent producers. If a pot or a slate, made just a while ago, has slipped from the hand and broken to pieces, what will happen to the labour which made that commodity? The whole thing has gone waste. The example in the question is similar wastage. None will get the result of that (8) labour.

4. Unemployed people too survive. Which means, they also eat some food, isn't it? If they are able to eat something even without doing any labour, does it mean that they live by exploitation of labour?

A. No. The unemployed people do not live on land rent, interest and profit. They live either by means of money of the other family members or the government allowance. If these 2 ways are not available, they may resort to thefts etc. These are not the means to live with self-respect.

5. People commit crimes like thefts due to their nature, is it true or not?

A. 'Nature' means ideas that people hold. People acquire ideas only through social conditions. That is, through nurturing, what is taught through education, from the behavior of elders inside and outside of their homes and through the living conditions during their childhood! When a child is born, you don't find any ideas in that infant. Sluggishness, diligence or differences in intelligence – are a different matter. Such differences will wane off when the contradictory conditions in society disappear. Even if differences such as lethargy and robustness exist, these differences are not 'ideas'. Only exploitation of labour breeds criminal thoughts.

6. Independent producers too perform labour, don't they? Will they therefore become a part of 'the working class'?

A. When the total production of the system is taken into consideration, independent producers are an integral part of the workers who make these products. However, they cannot become a part of the 'working class' because they do not have masters. Nevertheless, they too are reduced to penury because of the capitalist system. Their poverty is identical to that of the workers. At times it might even exceed that. The independent producers too therefore long for a better quality of life than what is available in the capitalist system. They become the opponents of capitalist system. Gradually they too become part of the working class.

7. Is the system of Independent producers good for the society since there won't be exploitation of labour? What if all people live as independent producers?

A. There also exist many contradictions. Each one is concerned about only himself. All of them will have to sell their commodities. Some can sell their commodities and some cannot. It will create many problems.

8. If we say that the salaries of the capitalists are not the values of their labour power, how should we understand them?

A. If you read some news items in the next lesson, you will come to know whether you should call those incomes value of labour power, value of labour or exploitation of labour. See news items in the next lesson. ★

79. Some Samples

showing the incomes of captalists

[News reports in this lesson are taken from Newspapers]

News of this sort appears frequently in the newspapers. See some of the news reports that appeared recently. From these news reports we will know the nature of the incomes of the capitalists compared to the incomes of the workers.

See the following samples!

Salary Magic!

[Salary means wage. What appears in this news report is not merely salary but also another kind of income! See it yourself.]

New Delhi: As part of austerity measures, Anil Ambani did not take any salary or commission from his group of companies. Even though he did not take any salary, the remuneration he got is huge. He received more than 50 crores of rupees as remuneration by way of sitting fees and commissions from the preceding year.

It is worth noting that while he received rupees 43.43 crores as salary from his entire group of companies during 2007-08, Anil received rupees 52 crores in the form of commissions from three companies during last year. While Anil's salary increased 18 times during 2007-08, it increased by 24% during the previous financial year. (Andhra Jyothy, 28-9-2009)

In this news report, some portion of the income of a capitalist is seen. This capitalist is the chairman of 5 listed companies. (There are some companies which are not listed and no mention of them here.) He should work for 8 hours a day in each company, shouldn't he? Does he work for 5X8=40 hours every day in all the companies taken together? He also has a brother.

Certain portions of the incomes of both these brothers are seen in this news item.

Anil Ambani got rupees 50 crores in the form of fees for attending company meetings and sitting in a cushioned chair

for a brief period! Subsequently, in the year 2008-09, he got 52 crores in the form of new fees for attending similar meetings and sitting in the same chair!

It is, however, a pity that this gentleman has not taken 30 crores as salary for the year 2008-09! It is due to recession! Which means, the commodities have not been sold out. If all the commodities were sold out swiftly, he would have received 30 crores as salary! Well, the salary he got during 2007-08 is 43 crores and 43 lakhs!

Whereas his brother Mukesh Ambani received a salary of rupees 44 crores and 2 lakhs for the year 2007-08. However, the news report about the amount of salary he received for the year 2008-09 has not yet come out.

We still don't see their 'profits' here. The incomes that we have seen so far include only their salaries and fees for sitting in the meetings. We have to add profits also to these incomes. There is something more. If the capital of these capitalists has not been borrowed from the banks, all the interest on that capital would be a few lakhs. These lakhs won't go out but remain with these capitalists. Thus all these incomes taken together will be in crores where sky is the limit. A single capitalist gets thousands of crores of rupees as income in one single year! What is all this? Is it the value of his labour power? Or is it the value of his labour that included his surplus value?

A capitalist acts as a Director of not one single company but a dozen companies. If a person is expected to work for 8 hours a day, how can this person work daily in a dozen companies? He would not have work for so many hours, not even for one hour. The whole work that he does is to conduct meetings in which they discuss issues like the places where commodities can be sold, how to keep workers under further restraint etc.

Now see another news item! The salaries of several capitalists figure in this news report. However profits, interests, sitting allowan ces, privileges do not appear. We have to add all those items.

A Zillion Millionaires

The annual salaries and allowances of some CEOs in the country are over 40 to 50 crores of rupees. Further, there are numerous top executives and directors who receive more than a crore per year in the form of salaries and allowances. According to an estimate, there are 640 directors in the listed companies who get more than a crore in the form of salaries and allowances. If we take private companies also into account, the number will be more than 3000. In some big companies, there are dozens of employees who get a salary over a crore. Though the salaries in the IT companies are very fat, the number of persons who get a crore as salary are less in number. In companies connected with Insurance, Telecom, Banking and MNCs, there are dozens of employees who get a crore of salary each. According to the sources of Industry, there is a → wide gap in the salaries and allowance of employees at various levels in the manufacturing sector while such a gap is scarce in the IT companies.

The details of some CEOs in the domestic market who get salaries in crores are as follows.

The following are the details of annual salaries of the heads of top level Indian and American companies.

Name	*Designation*	*Company*	*Salary in crores*
Mukesh Ambani	CMD	RLL	44.02
Malvinder Singh	MD	Ranbaxy Labs	19.59
Sunil Mittal	CMD	Bharti Airtel	19.55
Sajjan Jindal	VC, MD	J.S.W. Steel	16.73
Omkar K. Kanwar	CMD	Apollo Tyres	15.54
Pankaj Patel	CMD	Cadila Health Care	14.43
K.M. Birla	Chairman	Grasim Industries	11.25
Nikhil Meswani	ID	RIL	11.12
Hital Meswani	ID	RIL	11.12
Kamal Singh	IC, MD	Rolda India	10.64

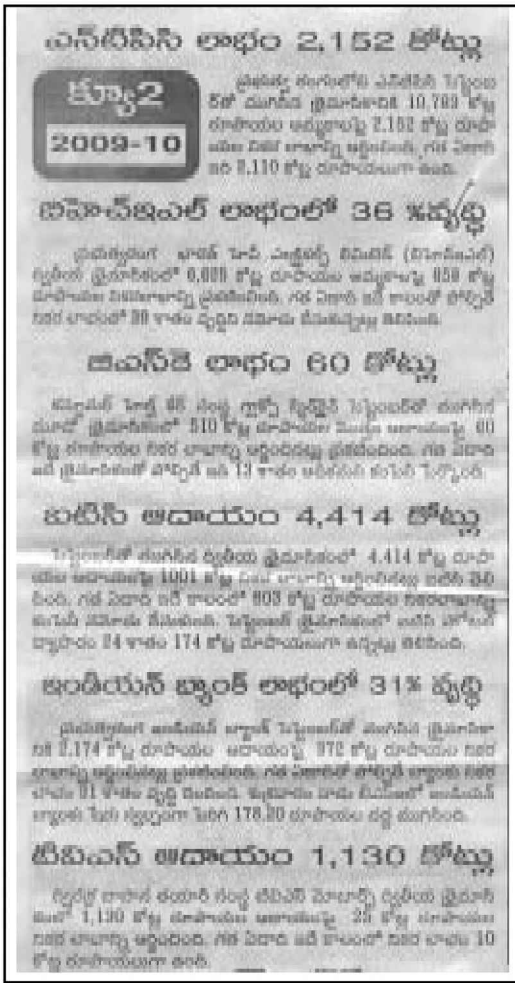
(Andhra Jyothy, 6-10-2009)

Have you seen how the annual salaries of the capitalists look like? They are merely salaries. Each of these salaries is from a single company. A capitalist who acts as a director for a dozen companies would get separate incomes from all those companies. All those incomes do not have the same label. They have different names. As if the same person has done different kinds of labour! A dozen salaries! A dozen sitting allowances! Privileges from a dozen companies.

In the second news report, there appear employees who get crores of rupees as salary. They include such people as managers and scientists. Their salaries include not only their

own surplus value but also the surplus value of the workers of other branches of production. They will gradually start their own industries as capitalists.

Now, see the net profits and incomes of some companies! These profits relate to the previous quarter (July, August, and September)!


ఎన్‌టిపిసి లాభం 2,152 కోట్లు

క్యూ2 2009-10

బిహెచ్‌ఇఎల్ లాభంలో 36 %వృద్ధి

బిఎన్‌కె లాభం 60 కోట్లు

ఐటిసి ఆదాయం 4,414 కోట్లు

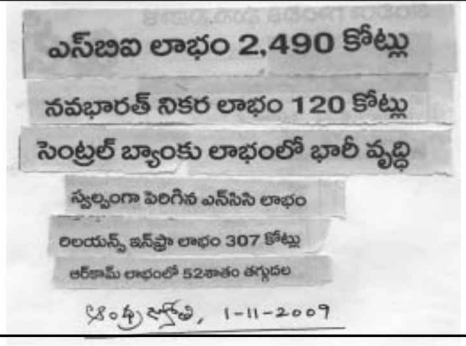
ఇండియన్ బ్యాంక్ లాభంలో 31% వృద్ధి

టివిఎస్ ఆదాయం 1,130 కోట్లు

The profit of NTPC— 2,152 crores. Rise in the profit of BHEL—36% . Profit of BNK—60 crores. Profit of ITC—4,414 crores. Rise in the profit of the Indian Bank—31%. Profit of TVS—1,130 crores.

Every company calculates its profits once in 3 months. It will declare with pride if there is an increase in profit as compared to the previous quarter because the workers are ignorant of the secret of profit. That is why, every capitalist pockets crores as income and still remains fearless in the presence of workers.

← (Andhrajyothi, 25-10-2009)


ఎస్‌బిఐ లాభం 2,490 కోట్లు

నవభారత్ నికర లాభం 120 కోట్లు

సెంట్రల్ బ్యాంకు లాభంలో భారీ వృద్ధి

స్వల్పంగా పెరిగిన ఎన్‌సిసి లాభం

రిలయన్స్ ఇన్‌ఫ్రా లాభం 307 కోట్లు

ఆర్‌కామ్ లాభంలో 52శాతం తగ్గుదల

సాంధ్రజ్యోతి, 1-11-2009

Now, see the quarterly profits of some more companies.

The last mentioned company's profit has now come down to 52% compared to last quarter. This does not mean that they did not get profit. It has simply decreased, that's all!

All these calculations, in fact, are big lies! After deducting fat salaries, interests, land rents as well as allowances of the capitalists, they show the remaining amount as net profit. We will come to know about the actual amount of surplus value only if we add all the deducted allowances.

Now see the profits which a bank secured in a 9-month period!

రెండవ త్రైమాసికంలో...

ఎస్‌బిహెచ్ నికరలాభం

రూ.234 కోట్లు

The net profit of SBH: Rs. 234 crores.

[in the 2nd quarter]

The State Bank of Hyderabad (SBH) earned a net profit of Rs. 234.36 crores in the second quarter that ended in September during the current financial year 2009-10. Similarly, it earned a net profit of Rs. 345 crores in the first half-year with an increase of 43%, said Renu Rellu, the Bank MD in her press conference on Tuesday. She said, the bank has achieved 75% of the RBI-set targets during the first half year. She informed that there has been an increase of 163% in the agricultural loans, 35% in the loans to small and medium scale industries, 87% in the housing loans and 82% in the personal loans.

(Andhra Prabha, 21-10-2009)

The profit which this bank got during the first six months is—345 crores. In the subsequent quarter, the profit is—234 crores. If we divide the profit of the 1st half year into 2 parts, we will know the amount of profit which it got for 3 months of that period. It is

$$\frac{345}{2} = 172\ ½ \text{ crores.}$$

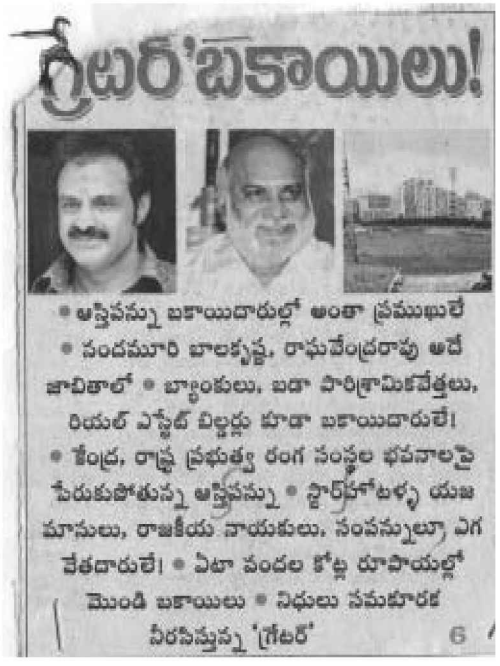
This means, compared to the profit of those earlier 3 months the profit it got during the subsequent quarter is higher. It is 234 crores. So far, 9 months have passed. We will come to know about the future profit of the last quarter in the month of December. It will be many more crores as compared to the earlier profit. On the whole, this bank got nearly 1,000 crores as profit during the year.

The main part of the profit which a bank secures consists of Interests.

From where do the interests come to the bank? All the capitalists deposit their money in the banks. If a capitalist wants more money than what he possesses in order to invest, he would borrow a loan from the bank. Every bank lends loans to several productive and merchant capitalists. Those who borrowed loans get masses of commodities produced, sell and earn surplus value and share it. They pay interests on their loans out of the surplus value.

In fact, many a time, capitalists evade repaying loans and interests. Yet the government does not act against them. It leaves them scot-free: 'It's alright, you need not pay'. It writes-off those loans in its account books.

See the following news report. How terrible it is!



* All the property-tax debtors are reputed people.

* Nandamuri Balakrishna and Raghavendra Rao (famous actor and director respectively) are in the list.

* Banks, big industrialists and real estate builders are also debtors!

* Huge accumulation of property-tax dues related to the buildings of central and state-run enterprises.

* Star-hotel owners, politicians and the rich are tax evaders.

* Dead-debts in hundreds of crores of rupees.

* Exhaustion of 'Greater Hyderabad Municipal Corporation' due to lack of funds.

(Andhra Prabha, 26-10-2009)

The taxes which are evaded every year runs into several hundreds of crores! Why does the government keep quiet? The government belongs to the property-owners, isn't it? Top officials and ministers swallow bribes and manipulate all those

accounts related to taxes. This is not something that happens in one particular year. It happens every year! The government keeps quiet not only in matters of taxes which the propertied persons evade. It keeps quiet without any enquiry even when the latter commit murders in their homes and leave the dead bodies in the open! This is the rule of the Propertied class and the Rich. The same kind of rule was there in the past and it is there even now.

In spite of such cases out there, the bank gets crores of rupees as profit.

All the capitalists who set up banks privately earn profits in crores! If any company or a bank shows its 'net profit' as a specific sum, it is not the actual sum. It is a big lie! Its profit would be much more than that. They show their profit after deducting huge salaries and other allowances which the capitalists have received. But, these salaries and allowances too are part of their profit. That is, part of the surplus value. Hence, the net profit must be seen as something which includes all that.

Take any capitalist, he gets crores of rupees in the name of salaries! Crores of rupees in the name of profit! Crores of rupees for sitting fees! Crores of rupees in the form of privileges! Some get crores of rupees in the form of interests and land-rent. All those crores together constitute their monthly income! They believe that all that is their hard-earned money. They tell the same to others. They ask the workers to believe it.

Among those who are involved in such exploitation of labour, there are not only men but also women who hold positions of directors in their companies.

What is the source of these incomes which run into crores and crores of rupees? Is it clear by now what exploitation of labour means? Whose labour does these crores and crores of money—which the capitalists receive as income—represent? What do they do with these huge sums of money? They set up more new companies. To sell those huge masses of commodities they enter foreign countries. They diversify their luxuries. Just as they present rings to their wives and lovers, they also give ships and aircrafts as gifts. They acquire dining tables made of

gold and diamonds.

While this is the situation of the capitalists, their government functionaries like governors and Presidents also consume crores of rupees! The labour which they perform is putting their signatures! To do this job they will have great mansions, offices, periodic decorations of those mansions, staff to maintain them—everything worth crores and crores of rupees!

See this news report!
We will now see how our rulers are!

Rupees 35 lakhs to decorate

Yedyurappa's bed room!

Bangalore, Nov.13 (KVV): Leaders who repeatedly declare that 'service to people' is their motto behave contrary to it in practice. It has come to light that the chief minister, who instructed to cut wasteful expenditure in the context of economic recession, has spent Rs. 35 lakhs to modernize his bed room. It has been revealed through Right to Information that Chief Minister Yedyurappa spent Rs. 1.70 crores to modernize the government bungalow in which he is staying. With this it has become evident all the lofty ideals which the Chief Minister is reciting are false. A total amount of Rs. 1.70 crores has been spent on the modernization of Chief Minister's bungalow in the Race Course road. They spent Rs. 10 lakhs on the decoration of bath room, Rs. 10 lakhs on the marble flooring, Rs. 4.40 lakhs for false roofing, Rs.10.15 lakhs for Gypsum Board and paneling of walls. Many more shocking facts came to light in response to another question. They spent one crore rupees to hold a cabinet meeting in Gulbarga wherein they spent Rs. 28 lakhs simply on floral decoration! This is the chant of austerity which our leaders recite. Advices are meant for those who heed and not for those who advise, isn't it?

(Andhra Prabha, 14-11-2009)

This news report is very detailed and critical. It is easy to understand it. These expenses in lakhs and crores is simply for the decoration of those buildings. This not limited to one occasion. Whenever fashions change they spend all over again. They take at least ten years to pay an old retired pensioner. Some employees (workers) die even without receiving pension. But our rulers float in daily luxuries. These luxuries are similar to those of kings and emperors of the past! The kings have transformed into the present-day rulers, in the name of democracy.

Look at the luxury of the American President. This information is from a 1985-book '***Democracy for the Few***' by Michael Parenti, an American Political Science Professor.

White House, the President's Residence

"The President lives like a multi-millionaire in a rent-free, 132-room mansion, the White House, set on an 18-acre estate, with a $2 million maintenance budget and a domestic staff of eighty-three, including six butlers, a well-stocked wine cellar, a private movie room, a gymnasium, tennis courts, a bowling alley, and a heated outdoor swimming pool. In addition, the President has the free services of a private physician, a dozen chauffeured limousines, numerous helicopters, and jets, including Air Force One—which costs $5, 221 an hour to fly (every trip Reagan took to California at the taxpayers' expense cost about the equivalent of 100, 000 meals in food stamps.) The President has access to country retreats, free vacations, a $70,000 yearly expense allowance—and for the few things the President must pay for, a $ 200,000 annual salary….And after leaving office they can count on a comfortable pension."(p.235)….. "Official audits revealed that President Nixon spent $2 million of the tax payers' money on improvement of his private estates and underpaid his taxes by more than $400,000. On occasion, he requested the Internal Revenue Service to stop auditing the incomes of close friends: *New York Times*, June 21, 22, and 25, 1973, and April 4, 1974." (p. 237)

Is it clear how the rulers are? Won't our blood boil looking at them?

All this pomp is to keep working classes in fear and obedience! To make people believe that the government is a mighty force! To achieve this, they spend crores and crores of rupees! This is apart from what they spend on the armies!

We have to add all these expenses in order to find out the quantity of surplus value of the productive labourers in society as a whole.

What is the source of all these huge sums of crores of rupees? They are extracted from the working class. Will the working class have any problem if it gets all these crores? Will there be poverty, begging and theft in human society?

The working people must have righteous indignation at the crores of incomes of the capitalists and at the monstrous luxuries of the rulers. Except for a handful of Intellectual labourers, the vast majority of the people are not aware of any of these facts. Majority of the people are uneducated. They don't have access to newspapers and books. It is safe for the class of exploiters if people continue to live like that. It amounts to ignorance of the capitalist system if one does not know about the salaries and other incomes of capitalists and the luxuries of the rulers. ★

80. Castes in India: Result of 'Exploitation of Labour'

The population of India is divided into 'upper' and 'lower' castes in varying degrees of inequality. This feature is not something created by nature's law. It is created by social factors. This is the first and foremost form of several atrocities that emerged from the exploitative labour relations in India.

If we examine the livelihood of these hierarchical castes, the entire disparity will be evident in the labour relations between the castes. In the past, one hundred percent of the people of the lower castes were labourers. They did not have any means of production. They were mere servants of the masters. Majority of the people of the upper castes owned properties and attained the status of masters. They were land-owners who occupied all existing lands.

Though this disparity between castes has decreased to some extent in today's world, there still exists a wide gap.

"Why did castes emerge in the first place?" If we discuss this question rationally and logically, division of labour in the past seems to be the sole reason. But the phenomenon of 'division of labour' prevails in every country in the world. Those who studied the caste system, however, point out the fact that the phenomenon of 'caste' which emerged in India is not seen in any other country. Absence of inter-caste dining and inter-caste marriages are specific features of castes. The despicable feature of 'untouchability' is also specific to this system.

If we attempt to understand the human society from primitive times, we cannot assume that 'castes' existed when human beings led animal-like life without clothes and without the knowledge of labour. We have to assume such distinctions might have emerged over subsequent periods of time. It appears rational if those studies argue that caste hierarchy must have emerged from the division of labour of those periods.

Nonetheless, it gives rise to another question.

The question that arises: 'Division of labour had been there all over the world. Why did it emerge like this only in India?' This is a good question. To get an answer for this question, we need to know the specific conditions that prevailed in India of the past times. We should also know the specificities of labour relations in the past several millennia. As research studies could not find any evidence to this aspect in the past history, we have not found an answer to the question, 'what are those specific conditions which led to the emergence of castes only India'?

Even Ambedkar, an Intellectual belonging to 'lower' castes, could not explain the basis for Indian caste system despite his scrutiny of several religious texts. He says that caste system is not only a division of labour but also a 'division of labourers'. He does not reject the idea that division of labour is the basis for the emergence of castes. He accepts this idea. However, he says that it is not simply the division of labour that exists here. The labourers are also divided into 'upper' and 'lower' categories (Division of Labourers).

When castes are distinguished as 'upper' and 'lower,' what is so strange if the labourers are divided into upper and lower?

If one caste is considered upper and another caste lower, won't the person belonging to the upper caste be superior and the person belonging to the lower caste be inferior?

When he says that 'Castes do exist here. Labourers are divided,' do we find the reason for the emergence of castes? Division of labourers is a fact that all people observe daily. By this, does it mean that we understood the basis for castes? No.

In the beginning stage of evolution of humankind, castes did not exist. They begin to emerge only much later. Whether or not we found the basis for their emergence, should we assume that castes emerged not in the beginning but at a later stage or should we assume that castes had been there since the beginning?

Even if we assume that castes had emerged not at the beginning but at a later stage, we don't know why and under what

conditions they emerged in this country. Even if we know the specific conditions that crystallized division of labour into castes in India, we shall not prolong the caste system based on that original situation. We have to eliminate castes. We have to establish equality. We have to search for its solution.

The people who own properties among the upper castes do not perform any kind of labour. They function as landlords, capitalists, businessmen of various kinds and live on exploitative sources of income. Though majority of the people belonging to the same upper castes perform several kinds of labour, almost all of them are intellectual labourers only. Even if some people perform physical labour, it is more like agricultural labour and not inferior unclean labour.

However, people belonging to lower castes do not perform such labour. There are very few people among them who perform intellectual labour. At present, some people belonging to lower castes are able to become doctors, engineers and lecturers. But the majority of the people in lower castes do not get such opportunities. Reservations are like a minor relief. They do not solve the problems of majority of the people belonging to lower castes. Majority of them are settled in the bottommost manual labour. Burying dead animals, clearing of human excreta from dry latrines, cleaning of sewage lines, sweeping of roads, driving carts and the like are their predominant forms of labour. Some of those people are still living on the labour of clearing human excreta manually from the dry lavatories. Even if the lavatories are 'modern,' it is the people of lower castes alone who are engaged in clearing and sanitizing the sewage tanks and lines. The people belonging to upper castes, however poor they may be, do not perform any unclean labour. The problem of the lower castes is that of performing filthy manual labor. Majority of the lower caste people serve their masters. The eternal problem between upper and lower castes is that of exploitation of labour. Also it is a problem of division of labour. It is a problem of oppression and servitude. It is not possible for anyone to solve the caste issue without

redirecting attention to the path that solves the problem of exploitation of labour.

To eliminate castes altogether, inter-caste dining and inter-caste marriages must emerge and continue without interruptions. If we examine a hundred such inter-caste marriages, we may find 2 types: (1) Many of the inter-caste marriages take place between upper castes only. (2) The number of inter-caste marriages between lower castes and upper castes are very few in number. Even these fewer number of marriages were possible only under circumstances in which young women of upper castes liked young men of lower castes whose education fetched them intellectual jobs due to reservations or some other reason. The young men and women of upper castes would not accept in marriage a person of lower caste engaged in unclean labour such as scavenging or sewage-related jobs. It means, in order to eliminate castes, petty reforms and changes in the living conditions of lower castes are not enough. Struggles will become necessary in order to free themselves from the clutches of exploitation of labour.

When we speak of 'workers', we should not bear in mind only those employees such as technicians or supervisors, who wear ironed clothes, wear gold chains around their necks and ride to the factory by scooter. We should mainly keep in view those who are engaged in the menial manual labour. All such labourers belong to lower castes. In rural areas, agricultural labourers, and also workers who are engaged in cleaning the dirt belong to lower castes. In urban areas, all the slum-dwellers are of lower castes. These workers may eat sumptuously at least once a month but they continued living in huts for generations. At the most, they live in tin sheds in crowded and dirty lanes. A single bathroom for ten families. No family of manual labourers would have a house consisting of 3 to 4 rooms, a separate bath room, adequate water supply and a small backyard. It cannot be called human life unless people have a comfortable house and water supply. Vacant land of millions of acres is there on this earth. It is not just enough but more than enough for any number of people to live in

comfort. As the entire land is in the possession of masters, huts are the only resort for lower castes.

This is a torn shelter inundated
by the flood water.
People are living even in this hut.

We will find huts such as these throughout the country. These too are human shelters!

Though a small percentage of lower caste people too are transforming into masters who live on the exploitation of labour, the larger part consists of manual labourers only. The latter are part of the 'working class.' Hence, the lower caste people who have been confined to menial manual labour for centuries have to free themselves from 'exploitation of labour' and 'exploitative division of labour'. Division of labour must change in such a way that all persons would perform manual labour along with intellectual labour and *vice versa*. Then the burden of menial labour would not fall on the lower castes only. It becomes the responsibility of one and all. Struggles against 'exploitation of labour' and 'exploitative division of labour' alone will liberate the country from the caste problem.

But, the intellectuals belonging to the lower castes have no other focus except negative attitude towards upper castes and illusions about reservation system. They have no indignation towards capitalist system. They, in fact, don't believe that there is exploitation of labour. Because their *gurus* (teachers) have not told them about it. Disciples can also learn things which their gurus did not or could not teach. But that is not agreeable to these disciples. Because their real desire is to evolve as capitalists themselves. Hence, they don't think of teaching about exploitation of labour. They opt for increase in reservations. As reservations come forth only if castes exist, castes should remain as they are! They want to develop into Dalit capitalists.

If they continue on the same path even for a thousand years, they would eventually arrive at a stage where they would consider

exploitation of labour as the principal problem. It will become inevitable. Because exploitation is the root cause of the problem.

Questions and Answers

1. In a country where there are upper and lower castes, will the labourers of those castes come together to wage class struggles without eliminating the caste distinctions? Is it possible?

A. The only solution for the elimination of caste distinctions is inter-caste marriages. They should not be sporadic: one here and another there. Let any number of changes occur among castes, it does not amount to elimination of castes if inter-caste marriages do not take place on a larger scale. However, in order to promote inter-caste marriages without objections, the economic conditions of lower castes must improve. If this has to happen, the present-day division of labour must change. Performing menial and filthy manual labour still continues to be the responsibility of the lower castes. This has to change and a different system must emerge where upper castes too perform menial and squalid labour. For this to happen, the system of present day production relations must change. Even in those countries where castes don't exist, the system of production relations must change in order to change the division of labour based on exploitation of labour. The unobstructed occurrence of intercaste marriages and the consequent elimination of caste distinctions are not something which can happen without changing the economic situation. Even for matrimony within the same caste, the basis is economic equality. If we examine the intercaste marriages that took place in the past, marriages between the youth of lower and upper castes have been possible only in such contexts where the economic, educational and employment levels have gone up. The advancement in economic and educational levels of the total lower caste population is possible only by changing the production relations. Such change is possible through class struggles which can eliminate exploitation of labour. Innumerable incidents in history testify to the fact that class struggles are possible even when there are caste distinctions. When agitations takes place at a work place, caste distinctions do not come in the way. Workers of all castes go on strike to achieve their demands. The class consciousness (new ideas) which the workers of a given region in a given country acquire includes the awareness of specific problems of their region as well. Struggles in specific regions would proceed in

accordance with their specific conditions. As caste distinctions are specific characteristics of India, anti-caste ideas and activities would become part of class struggles. If class struggles are conducted without any connection to the specific problems of the respective regions, such struggles cannot be called class struggles. It is meaningless to ask, 'are class struggles possible in the context of caste distinctions?' The problem of caste distinctions, the problem of male domination, the problem of religious obscurantism—all these problems arise from servitude, prevalent in production relations. The solution to all these problems is linked to the solution that eliminates servitude.

If the opponents of caste distinctions do not understand the class distinction and exploitation of labour, that means they are harming themselves.

If we don't change the division of labour which gave rise to caste distinctions in the first place, caste distinctions would never vanish. ★

81. The Capitalist Price

In this book, we haven't yet considered 'the banks' that deal with the money lending business. We haven't looked at the 'commodity capital' that facilitates the piling up of goods in shops. We haven't talked about the 'share capital' and the stock exchanges where trading business is carried out. We haven't examined 'the working day' in detail. We haven't looked into 'night shifts' and 'part time' jobs. We haven't studied the exports and imports. We haven't reflected on the exchanges that involve selling of the currency of one country to buy the currency of the other. We haven't pondered over many such issues.

We discussed about 'reproduction' only superficially. When 'production process' is comple-ted, that is, when the commodity is produced and sold, and the invested capital is retrieved and the same commodity is produced all over again with that capital, then that process is termed as 'reproduction'. If the reproduction in a given year remains at the same level as that of the previous year, then it is called 'simple reproduction'. In contrast, if the reproduction occurs on a larger scale involv-

ing a bigger amount of capital, then it is called 'expanded reproduction'.

In capitalist system, every reproduction process occurs on a larger scale than the previous one. This is because additional tools produced in all the branches of means of production must be used again as means of production. The entire production consists of 2 parts: (1) The means of production expended in all the branches are produced again (2) additionally, the surplus produce generated along with the means of production will also be in the form of means of production. The two components, as a whole, must be used as the means of production. The total sum of these means of production will be much larger than that of the previous ones.

This is the reason why every production process in the capitalist system remains larger than the previous one. It generates a larger amount of surplus production than the previous one. Because the surplus means of production are produced each time on a larger scale, the whole production process in the society will be larger than before.

Even though the production process may not expand in the case of every capitalist, when all the branches of production are examined collectively, with respect to 'the social capital', as a whole the capital keeps increasing every year and the stacks of produc-tion keep piling up every year. In addition, production keeps multi-plying, unconcerned with the 'the sale' needs, to reach a level of 'crisis' that may even jeopardize the sales.

Reproduction of the relations of exploitation:

During the process of reproduction, not only the products, but also the old capitalist-worker relations are reproduced. The capitalist remains a capitalist even after one phase of the production process is comple-ted. The workers too remain workers. The exploitation of labour too continues to perpetuate. As long as the capitalist system continues, along with the production of every single commodity, the owner-worker relationship is continually reproduced. The relation will remain so until the proletariat class confronts and terminates it! – All the issues that we cannot discuss here may be

seen in our book *An introduction to Marx's 'Capital'*.

Regarding the issue of 'price', we deliberated very lightly in the previous lessons. What we are going to examine here is also very little. We have to discuss this issue could be examined in detail only in *An introduction to Marx's 'Capital'*. We have earlier stated that 'the value itself is the price'. The capitalist price, however, is not so. In the case of individual commodities, this price is will be a little lower or higher than the value. If the competition between the capitalists reaches a level of severity, then it will give rise to the law of 'the general rate of profit'. This law will form prices that will enable near equivalence of the profit rates in different branches of production. If the value remains as price in every branch of production, then the differences between the profit rates of different branches would widen enormously. In that event, the capital would recede from those branches of low profit rate and flow into the branches of higher profit rates. This situation will lead to the equivalent rate of profit. Consequently, in some branches of production, the price will be higher than the value, whereas in other branches, the price will be lower than the value. As a result, instead of the surplus value of a given branch remaining within, there arises a system where by the total mass of the 'surplus value' produced in all the branches will be distributed among all the branches. The price of a commodity determined by the capitalist is not its value. In fact, the capitalist knows nothing about the value. The name of the price determined by the capitalist is – 'the production price'. This is the price neces-sary to produce the commodity and to earn equivalent profit.

We cannot consider the issue of price as yet. Once 'the production price' is determined and the commodity is released into the market, it will have to face the hurdles of supply and demand. Consequently, the production price too may fluctuate upward or downward. Or it may not.

After arriving in the market, a commodity indicates only 'the production price'. Depending on the conditions of the market, this price may change a little or may not. That means, if 'the value' is

first transformed into 'the price of production' due to the law of the general rate of profit, the price of production will subsequently transform into the 'market price' due to the law of supply and demand.

When we buy a commodity in the market, it is the 'market price' that we pay. This price may be equivalent to the 'production price' but not to the value of the commodity. This is contrary to the law of value which states that 'the value itself is the price'. Nevertheless, this is how the law of value operates on the basis of capitalist competition.

However, we must consider the entire mass of the capitalist commodities produced in society, not simply the individual commodities. The sum total of the market prices of this mass is the gross value. The 'means of production' within 'the gross value' are the ones consumed in all the branches. The wages within the mass are the wages in all the branches of production. The surplus value within the mass of commodities is the sum total of surplus value produced in all the branches of production. The prices in individual branches of production are higher or lower than their real values. For the entire mass, however, the sum of the prices is the sum of the values. As a result of fixation of prices in this manner, the relations between the workers and the capitalists are transformed into class relations rather than separate individual relations.

In the ancient days of slave masters, a large proportion of the produce generated by a slave master was consumed by the family of the master instead of making an entry into the market. The surplus production of the slaves working for a master, therefore, was appropriated by the master himself. The surplus production would never go to other masters. And the slave master would never get a part of the produce from the other slave masters either (except when interest is earned).

Likewise, in the feudal society, the situation is similar since there is no excessive selling of the commodities. The surplus production of the feudal tenant farmers of a landlord is appropriated by the same landlord.

This, however, is not the case in the capitalist system. The stacks of the commodities of all

the capitalists parade through the market. The prices are regulated in such a way that all get approximately the same profit rate. A part of the surplus value of the workers under one capitalist may go to the capitalists of other branches of production. Similarly, the same capitalist may get a part of the surplus value of the workers of other branches.

The commodities are also exchanged between different countries. A part of the surplus value of the workers of a country may be appropriated by the capitalists of a foreign country. And vice versa. As a result, the workers of all the nations are drawn into a relation.

In the capitalist system, as compared to the slave and the feudal systems, the class relations are interwoven in a much more intricate manner. We have to study these details in *An introduction to Marx's 'Capital'*.

[There are no questions in this lesson] ★

82. What do the capitalist economists say about 'profit'?

The answer to this question:

If the economists are 'capitalist', can there be a question about what they might say regarding 'profit'? What else would they say? They would say that 'profit and interest are the right of the capital'. They would also say that 'rent is the right of the land'.

The second question: "Leave the rights alone, what is their explanation regarding how profits emerge from the commodities?"

Their answer: "It is self-explanatory. Interest as well as rent are the expenses consumed for the commodity. These expenses add to the commodity under these very labels and emerge under the same names. As regards to profit? If you add a tiny sum over 'the costs', profit is returned. If profit can't be gained, who will invest the capital? If you

add 'a little bit' for the sake of profit, why will it not come back?

The third question: "Under what name will they add that 'little bit' for 'profit'? If the component can be added just like that casually, why only 'a little bit'? Why not add a thousand times more?"

"....."

There will be no answer.

The fourth question: "The value of the 'means of production' is transferred to the commodity and recovered when the commodity is sold. With the recovered value, the new means of production can be procured. There is no need to invest a new value for the new means of production. Investing the value a single time is sufficient. The new means of production can be purchased, over and again, with the same old value. And, if the components of the rent and interest too are expended on the commodity, why is it not enough that they too are paid a single time? Why new values are paid towards these components every single time?"

"....."

There will be no more answers.

Only to the single question "how profit is earned?" the capitalist intellectuals will give a passionate answer – "won't it come back, if added to the actual cost?". "Who will invest the capital if there is no profit," they will repeat, over and again, as if these questions have no answers!

"If the profit is earned by only adding a little bit, why should it only be 50% or 100%? Why not one lakh per cent?" try asking them again!

The answers will come to a grinding halt. The intellectuals will not get into an argument since they cannot provide even a distorted answer.

Even today, the same economics lessons are being taught exactly in the same manner by teachers to their students, as in the old days when no one knew about 'exploitation of labour.'

The teachers teach, even today, "rent for the land and interest and profit for the capital". There are thematic exercises on 'interest' and 'profit' even in second standard lessons. The teaching that starts at such preliminary level would continue in the same manner until the students complete their PhD.

Finally, the students who earn

a doctorate in economics would complete their education on rent, interest and profit as supreme rights. Thereafter, they themselves will assume the role of the teachers, lecturers and professors to preach the same teachings to new students. This process will continue year after year.

None among these intellectuals would have heard about 'exploitation of labour'. If they, by chance, had come across a line that " a certain Marx said something", they would forget about it the same day. Their intellects are ruled again by rent, interest and profit.

In a capitalist system, where the aim remains to convert a small amount of money into a huge sum of money, no expanse of an area will be sufficient for selling the commodities of any capitalist. Selling a few commodities to earn a small profit is not the motto of the capitalists. They want the money to be piled up in stacks. To this end, every capitalist company wants to do business with just not one country but all the countries. The whole world is needed. Not the earth alone, but the sun, the moon, the stars and the entire universe are needed. Be it the sky, the moon, or the stars, they have to do business transactions everywhere. The profits must be amassed in heaps.

There are a myriad problems on the earth.

People have no drinking water. But, the capitalists are promoting scientific experiments to take tourists on lunar voyages. The rate of profit would be significantly higher in exhibi-ting the moon to the rich than in providing drinking water to the poor, wouldn't it? Eventually, on the moon too, there will be wars between the capitalist companies.

Like the ancient kings who occupied the neighboring kingdoms unjustifiably and brutally, killing the citizens and occupying their lands, the capitalist kings too do the same thing. Unlike the soldiers of the ancient kings who fought with clubs and swords, the soldiers of the capitalist kings employ weapons ranging from guns to atomic bombs destroying the entire nature with uncivilized weapons that surpass the sticks.

The path undertaken for profit and its growth would inevitably surpass the capitalist barriers

and render the capitalists themselves helpless. The intrinsic principle behind the process of commodity production, profit rate and labor exploitation would become incomprehensible to the capitalists themselves.

If an innocent capitalist refrains from the competition being 'content with a small business and less profit', the other aggressive and incessantly competing capitalists in the same branch of production will manage to sell their commodities at a cheaper price by increasing the means of production, by multiplying the stacks of commodities and by flooding the market with mammoth advertisements. The innocent capitalist who forsook the tricks of the trade will have to shut down his business eventually. For those who pursue the goal of profit-making as a profession, it becomes inevitable to practise the rules of competition. Otherwise, they may lag behind. It is a *pit that they dug for themselves.*

The principle of profit drags the capitalist continually towards more exploitation, more competition, and more occupations of other countries and more wars.

History has exquisitely portrayed capitalists following the wrong path of exploiting others' labor as those who are stupid, cruel, plunderers of rights, destroyers of nature, incapable of living off their own labour and devoid of self respect. The capitalists are still compelling history to paint the same old pictures over and again with additional embellishments.

The multiple issues that we studied so far in this book's lessons cannot be found in the economics lessons taught by the capitalist books. If the contents studied from these books are reproduced in the examinations, the students are sure to fail. The police will be after the students with the suspicion that they turned communists. If you want to pass in the examinations, there are other capitalist lessons to learn. Repeat them in the examinations! "The tools alone perform the work. The machines of course do all the labor on their own accord. All the capitalists are great people serving the nation with their supply of products. All the workers live comfortably earning daily wages and monthly salaries. The masters are the ones who provide livelihood to the workers

and nurture them with kindness. The constitution essentially nurtures the working masses as its own children. It is the workers who evade their responsibilities, torment their masters and make the lives of the masters miserable and insecure. The masters are generous, magnanimous, dignified, benevolent and kind. All the ancient kings were noble. The ministers administering the contemporary capitalist states are hard workers". – Fill the answer sheets with the philosophies crammed from the gist of the economic sciences of the exploitative systems! Focus on passing the examination first! Toss away the capitalist economic sciences and philosophies soon after!

True knowledge exists elsewhere. Human relations in every part of the world, since the times of the slave masters to present day, are universally smothered with hostile contradictions manifested as relations of labor exploitation, relations of profit-oriented wars, relations of masters and workers, and relations of monstrous domination.

Look at America!
Look at England!
Look at Africa!
Look at India!
Look whichever way!
Look wherever!
Domination and subjugation!
Overflow of riches and dire poverty!
Jubilation and tribulation!
Ignorance and gloom!
The same over and over again!
The same everywhere!
The same year after year!
This is the world image!

Questions and Answers

1. Don't the capitalist economists ever read Marx?

A. They are aware of what Marx says, even without reading. Since they dislike Marx's teachings prior to reading them, they will definitely dislike if they read.

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2. Don't they value 'justice'?

A. Why wouldn't they? In a class society, every idea has a class character. For capitalists, their profit is their justice. They value their own justice.

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3. Not 'their justice and our justice'. Isn't there true justice?

A. If the capitalist economists value true justice, how will they earn heaps

of money, awards, felicitations, and Nobel prizes? Will true justice provide these? Instead, true justice calls upon one to "get up and work" for oneself, doesn't it?

4. Lamentable. Then, can't the capitalist economists teach anything to the world?

A. Of course, they can. They teach a lot to their own world. They have their own world.

5. Let us presume that one capitalist realized the truth of labor exploitation. Let us also presume that he really repents: "Have I been living on exploitation of labour all this while?" His family is dependent on his industry. What should he do? Surrender his assets to the state?

A. If the capitalist really understands labor exploitation and repents the way of his living, he would also know what to do next. If not, he hasn't understood the phenomenon of exploitation of labour. Nevertheless, he won't be able to shut his enterprise down immediately. In addition to performing management tasks of his industry, he should begin to learn one of the labours necessary for the production of their commodity. He should perform that labour daily for a few hours. He should take wages for doing the labour. He should review and take corrective measures to ensure appropriate working conditions for the workers. He should give good wages to the workers. He should not oppose but encourage the functioning of the workers' association. He should also support the worker associations at other industries. In spite of all these reforms, there would still be profits and interests earned, although on a smaller scale. He should inspire his own children to work and live on their own wages instead of making them heirs of his industry. Henceforth, he should be prepared to surrender his properties with enthusiasm and no second thoughts when socialist revolution beckons someday. A wealthy person who realizes labor exploitation should adapt ways to extricate himself. He should abstain from amassing properties, interest calculations and luxurious living. In an exploitative system, the government too is a capitalist. Handing over property to the government amounts to handing it over to a different capitalist. This will not help people who are in real need. When the conditions are not suitable to surrender property to the society, using that property for social reforms is the right way. He should satisfy the minimum needs of his family and should attempt to do whatever is possible with the rest of the profit.

6. What should the workers who understood the phenomenon of exploitation of labour do?

A. First, they should start workers' associations at work places. The leaders of those associations must be picked only from the workers. Someone who is not a worker at their workplace should not be the leader. It will be the workers who will have to negotiate with the management regarding the problems associated with the workplace. The workers alone are capable of dealing with these matters since they are aware of their own problems. They are capable of accepting the necessary advice from those who are trustworthy. On a continuous basis in these workers' associations, the workers should discuss routine problems on one hand and keep educating themselves on theoretical matters on the other. Educating the illiterate workers should be the priority for the workers' association. Every worker should be capable of reading the pamphlets of the association and also daily newspapers. The workers' association must conduct study sessions regularly and invariably. Even the intellectual workers of today are not aware of the fact that there existed people called slaves in the olden days. The workers of the present day must be made aware of the master-worker relations continuing from the ancient times. The contents of the newspapers must be read out to those workers who are not adept at reading and the nature of the political parties and their political strategies must be explained to them. While managing the routine problems on one hand, matters pertaining to labour relations must be studied and comprehended on the other. This way, the workers who learn novel ideas will know how to organize their own programs later on.

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7. The intellectual workers could be an engineer or a professor. A productive worker such as this could earn a modest salary, even after losing a part of surplus value. He could own a house. There are no shortages for their daily needs. A part of the earnings is saved every month. What should be done with the savings? Buy a piece of land, let it out for rent and earn land rent on it? Or buy a house with that money, let it out and earn rent on it? Any act of this nature will not be appropriate for a person of class consciousness. In that event, what should that person do with his savings? How can he practise a worker's life?

A. A person who is opposed to labor exploitation and who likes to lead a

life of class consciousness, ought to never adapt the ways of living that earn rent, interest or profit, however small those earnings may be. If there are savings from the wages, let those savings be secured. Since that money cannot be secured at home, the savings must be deposited in a bank or post office. An interest is earned this way too. However, this is not a crime since there is no better alternative to protect money. One could fall sick. One could grow old. Money is needed for these needs. Nevertheless, from those savings, a significant amount could be spent towards a lot of different things. Primarily, one could help organizations that work for an improved social order. There are lots of poor students. One could help them. One must find ways to lead to solutions of this kind. One's own children, when educated, can lead their own lives on their own salaries. There is no need to save assets and pass them to the offspring. The intellectual workers acquire assets and lead a life of a 'petty bourgeoisie'. Those who realize the folly of this way of living cannot adopt this path. ★

83. Economic Crises:

The creation of the capitalist system

'Economic crises' are unique calamities that the capitalist system unleashes on the whole society. It is a situation where the sales of commodities are slow or even halted! It is a situation where selling commodities is not possible! Such a situation arises in many companies due to the stacks of commodities piled up to the sky, surpassing the needs of the market. The stacks skyrocket as there is no common planning among those who undertake production. There is no common plan because they are private capitalists. The government (State) too is a private capitalist investor. The government, however, is an agency that supports and favors the entire class that perpetrates exploitation of labour.

All capitalists have their own plans. They are not aware of the secret plans of other capitalists.

Unless there exists a collective production system among the capitalists, how can a collective plan be possible among them who are obsessed with individual profit? The only motto of all the capitalists is – a higher rate of profit! A rate higher than that of others!

A higher profit means more money! With the ever increasing money, setting up of companies in other branches of production! From those other branches too, they want to reap higher profits, loads and loads of them! All big capitalists make these attempts! The growth of the capitalist means, a higher rate of profit and a huge capital! A nation that possesses such huge capitals is a developed nation!

Since the birth of the capitalist way of life, the only outstanding aim is higher profit rate! There won't be any limit, boundary or ethic to the goal of enhancing the profit. It lacks the minimum common sense that the market needs must be taken into consideration.

Attempts to boost the profit rate begin initially in the form of competition between prominent capitalists in a particular branch of production. Gradually, there ensues a competition with the profit rates of other branches of production also! Thereafter, with the profit rates of other countries as well!

The only way to withstand competition is - to boost the productive forces! An attempt to produce the commodities at lower costs and sell them at the same price as before! As this situation continues for some-time, the enhanced productivity will be accessible to one and all in the same branch of production. The increased profit rate will once again reach the old level as before. Subsequently, it will become difficult even to retain the old profit rate. The only way to overcome this difficulty is to enhance the productivity once again!

As this situation continues for a while, the capitalist takes a look back and finds out that the company is overflowing with stacks of commodities. The danger signals of slowed-down sales will appear. The capitalist who notices the danger signal will either have to curtail or suspend the process of reproduction.

When the production is curtailed, the sales of the means of production will also be curtailed. The sales in those branches that produce the means of production will also

recede. Or, may even come to a grinding halt altogether.

In a company, where the production is curtailed, the need for workers will also be reduced. Except for a handful of workers, all others will lose their jobs and hit the streets.

That is not all. Since the situation of the companies with overflowing goods will impact many other companies that supply the means of production to the former, the workers from the latter companies will also find themselves on the streets.

What would be the net effect when the workers from many companies hit the streets? A few among the workers may find new jobs. However, this will not be the case for all those who lost their jobs. Those who lost their jobs will eke out a living using their past savings on a half-filled stomach for a month or two. Thereafter, there won't be any source for the workers to buy the means of subsistence. When the sales of the means of subsistence of the workers recede, the process of production in those branches that make the means of sustenance will also slacken. The process of ejecting the workers from these branches also will begin. – In this manner, when the process of production stops in some branches, the production process in the branches of means of production and the means of sustenance will also slow down.

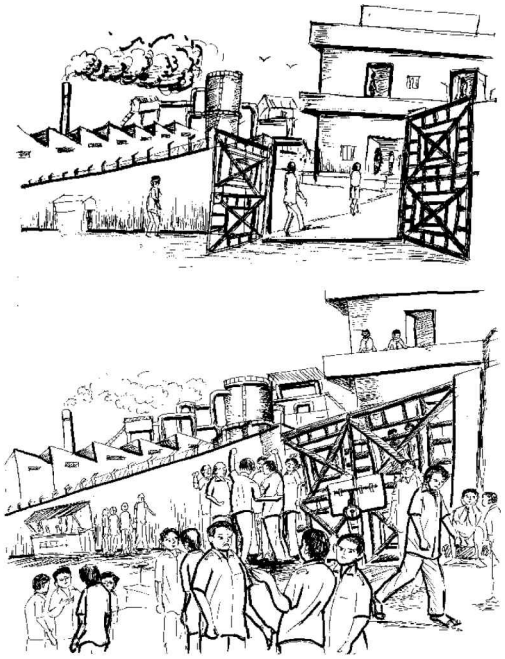
The reduction in sales that took place only in a couple of big companies initially will subsequently engulf all the branches. All of that, together, constitutes the 'crisis'!

The crisis causes no harm to the capitalist class. Only, their profits will shrink as the sales of the commodities become sluggish. The capital invested in some companies may suffer some loss. However, it will not terminate their life.

The working class will be the one which bears the actual brunt of the losses and the hardship. As it is, a portion of the working class faces eternal unemployment. The calamity of unemployment that overwhelms the workers during the crises, however, has no parallel. Of the 100 workers that were employed in a company one day, at least 90 would be rendered jobless the next day. This situation arises not just in one, but several branches. This happens in the case of the manual as well as intellectual labourers. When the

production of the commodi-ties gets halted and the machi-nes come to a grinding halt, where is the need for the workers?

Then, what would be the fate of all those workers? The worker



families are caught deep in financial crises routinely even when the wages are available. Such families will have no food when the wages stop altogether. They will have to vacate the rented shacks and take shelter under trees, provided there are trees! The children will have to drop out of the schools. Hunger and disease will take over. There will be no medical care. Deaths will ensue! Among those who are alive, there is a rise in insanity, suicides and crimes. The working masses will collapse to the ground like birds.

At the same time, the banks too will face a tough time. Given that the banks are capitalist institutions that do money-lending business, they too will face troubles. The capitalists who borrowed loans from the banks will not be able to repay the loans as they cannot sell their commodities. When the depositors (consisting of the capitalists, landlords and the intellectual workers), who kept their money in the banks, want to withdraw their money, there will be no cash in the banks. The depositors try to withdraw their money from the banks. The banks, however, would say, “We could not recover our loans. We have no money. We cannot repay your money for a few days”. They will not specify how many days ‘a few days’ actually means. When a bank lands in a situation such as this, it means that the bank has become bankrupt. In times of crises, even giant banks go bankrupt quickly.

When sales are sluggish, things like garments or chairs can be stored. This is, however,

not possible in the case of perishable items. In times of crises, the capitalists commit many crimes such as dumping milk products in the sea, spraying kerosene on potato stocks (so that the workers cannot use them), crushing the crops under the wheels of tractors, and evicting the worker families who failed to pay rent from the rented shelters etc. While on one hand lakhs of workers perish without shelter and food, there are numerous instances in the history of the crises on the other hand that the capitalists destroy the products to prevent the workers from using them.

At the same time, there will be a great upsurge in the profligacy and extravagance among the sections of exploiters. Since these sections have a glut of the produce in their possession, they will have the privilege of using these products to any extent. These sections will have no shortage in times of crises. On the contrary, their luxuries will only escalate further.

The piled up commodities will scale down gradually. The crisis will ease out. The process of production will revive with added vigor. A search for new productivity will gain momentum. All the branches of production will be invigorated.

While a large portion of the working masses has already perished by this time, a fraction of the workers that survived will find new jobs. The companies that were unable to sell the commodities produced by means of the previous productive capabilities, will start hunting for new and improved productive forces. At the work place, the scientists and engineers will accomplish the tasks set aside for them by their masters. The profit rate will begin to rise for those who acquire the new productive forces first. This will facilitate the capitalist to dream again.

After a few years, the new dreams will shatter again. The fall in the profit rates will render the capitalist sink into depression. Another hunt ensues for new productive capabilities! As the hunt continues farther on, the stacks of commodities pile up higher and higher and the sales godown lower and lower, a new crisis will reemerge and engulf the world yet again. The same as before!

[See the next lesson also on **the crises**]

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[13-A]

84. More on Economic Crises

The so-called 'crises' did not exist in past societies. A system of producing commodities solely for sale did not exist in those societies. The calamities such as the goods piling up in heaps and the sales coming to a grinding halt did not exist in those societies. All this started only in the capitalist system. When we discuss a problem and say that "this problem did not exist in the past societies", one should not think that we assume that "the past societies were better". The past societies too were societies based on exploitation of labour. In comparison to the past societies, the society based on capitalist form of exploitation is 'good' in a few aspects and 'bad' in other aspects. This is the society that we live in presently.

In the capitalist system, the first economic crisis started before 1825. This was a crisis that engulfed all the countries. Since then, the crises have been recurring every few years. The piles of goods have been destroyed without being used by people. The working masses that produce these goods perish even before the goods are destroyed.

Of all the crises that occurred in the history, the one that started in the US in 1929 and continued for four years was the biggest.

[See the chapter 'Crises' in my book An introduction to Marx's 'Capital'. Many more strange facts will be revealed in that chapter].

Presently, in 2009 too, a new crisis has been unfolding all over the world. This has been spreading over a year. No one can say for sure when this will end. In this crisis too, there are instances where large companies and big banks have gone bankrupt. The incidents of working masses killing their own children and committing suicide have been rampant everywhere.

Here, we must recall the barter system of exchanges.

In the barter system, the acts of selling and buying will merge into a single action. When a pot is exchanged for a pair of shoes, the selling of the pot and buying of the shoes take place at the same time. Exchanging the shoes for the value of the pot

does not mean hiding a part of that value. In the barter system, there is no scope for accumulating the value.

In contrast, in the exchanges that use money, the selling and buying do not happen together. These two functions are separated. When a pot is given away and a Rupee is received in exchange, only the pot is 'sold'. When a pair of shoes is bought by paying the money, a different good is 'bought' with the value of the pot.

In the money system, the money earned by selling an item need not be spent all at once on buying other goods. It is possible to save a part of the money. The exchange system that uses money, makes it possible to accumulate money. Moreover, in a system where the selling and buying are separated, the exchange of the goods will be desynchronized in the absence of a common plan with respect to different kinds of commodities. Equilibrium in the exchanges can be ensured only when all of the value earned by sales is spent on purchases. There should be as many purchases as that of the sales. Otherwise, there arise contradictions in the exchange of the goods. The epitome of these consequences is – crisis.

'A monkey as it is and over and above it, is drunk' as the Telugu saying goes: 'a money system to start with and is caught in the web of the capitalist profit rate'. This system, then, is capable of creating problems of any nature. The absence of balance between sales and purchases in the money system will lead to a situation exploding into the crises in the capitalist system.

The capitalists cannot comprehend all this. Their economists can understand even less. This is because, the capitalists are the teachers of the economists, aren't they? How can the economists understand the matters if the capitalists do not teach? They are unable to understand the concept of the surplus value itself. Therefore, none of them can comprehend the causes underlying the crises and consequently do not pay attention to these matters. "If inevitable, let us suspend the production for a few days. Let us fire the workers. Isn't it enough?" they would presume. That is the only solution they can think of.

All that the capitalists think

always is how to sell the stacks of commodities. They try to discover new ways of selling the commodities. Ways of offering the commodities as loans and charge interests on the loans! All these ways will not work at times. "Why do the economic crises arise in the first place? We are unable to use the old productive capabilities. Why to escalate them further? Why to produce the commodities on such a large scale?" - they don't think along these lines. They even attempt a few minor reforms like merging a few companies to streamline common plans. The larger ventures, the product of the merger of smaller companies, however, will lock the horns in competition again. The fights for the profit rate again. These fights will even lead up to wars!

[So far in history, two wars were fought at the global level: world wars 1 and 2. See the details on why and how these wars were fought in *An Introduction to Marx's ' Capital'*. Many surprising facts will be revealed.]

There will not be any new changes or new histories in the capitalist system. Wars with other countries to sell the loads of commodities and when that is not possible, crises! This is what happens alternatively and repeatedly.

The crises do not cause any harm to the capitalist class other than reducing their profits! No doubt, this is a heartbreaking loss to them. The real damage, however, befalls the working masses.

That is the essence of capitalist system. It will continue like this in line with its objective of exploitation of labour.

Since it introduced the wage system and finite working hours for workers, the capitalist system appears to be relatively a progressive system compared to the past systems. That progress, however, is halted with its limitations. The capitalist system, in turn, unleashed unprecedented problems; it will continue to bring about even greater calamities. The nature of capitalism is that of exchange value. An unnatural character. For the sake of 'profit', capitalism can invent any number of wretched means.

Perceiving the capitalist system simply as an exploitative system does not amount to understanding its true nature. One must envision the capitalist system with all its unique quali-

ties, such as the competition for profit rates, the escalation of productivity, the gigantic stacks of commodities, the perverted ways of destroying nature, the economic crises and the destruction of the working masses. All of these qualities did not exist in the past times. Additionally, the capitalist system is endowed with many more unique vices.

The capitalist, instead of employing the workers himself, will summon a contractor. "I need a few laborers, supply them to me," he would say. He will pay the money to the contractor. From that money, the contractor will pay the wages to the laborers and keep the remainder as his own profit.

The contractor is the master of the workers. What he pays is the wage of the worker. The profits gained by the contractor as well as the capitalist who gets the goods produced together constitute the surplus value of the workers. That means, the productive capitalist leaves a portion of his own profit for the contractor!

With all these new modifications, the master-worker relationship transforms into newer forms as compared to past times. The essence, how-ever, remains the same in any form.

The capitalist system always strives to split the workers and impede their attempts to form worker unions.

The capitalist, indeed, is the heir of the slave master. He, however, is a smarter successor of the slave master.

If the working masses fail to comprehend the unique immoral qualities of capitalism, the working class will continue to remain in wage slavery.

Questions and Answers

1. What explanation do the capitalist economists offer regarding the emergence of the crises?

A. They say nothing. For a long time, in reality, they did not accept the fact that crises have emerged. 'All the goods will be sold. Why will there be a crisis?' they argued vehemently for a long time. After the crisis of 1929, they, however, stopped their old obstinate contentions. Subsequently, they provide no explanation for the emergence of the crises. They observe silence. Silence prevails only when there is no answer. Not just for this problem, they offer no explanation for any other problem. Take wars, for example! Will the capitalist economists admit that wars happen exclusively for selling commodities, for snatching global markets and for extracting raw materials

from foreign countries? They will not. Instead, they will intoxicate the compatriots with 'patriotism' to garner popular support for waging the war. They will paint the neighboring countries as hostile entities. Will they provide a realistic cause at least for disasters like storms and floods? They will not admit that people suffer because no measures are undertaken to regulate the flood waters and that the vast majorities lack solid houses and inhabit ramshackle huts. They say, 'Nature turned furious. Varuna, the God of Rain, got angry'! And people believe that only. Everything proceeds in this fashion. In the wake of torrential rain and scorching heat, hundreds perish. The government will throw a pittance to some. Which amounts to alms. As bribes for many, a lot of money is misappropriated from this fund, and only what is left will be given to the real people in need.

2. It is said that in 2009 also there is an economic crisis in progress. What is reported in the press regarding this matter?

A. There are many reports.

[See the next lesson regarding this issue] ★

85. Some news reports on the crises!

An economic crisis has been in progress since 2008 and is still continuing. The following are some news items that appeared during this period.

Have a look at the following news item:

A hundred crore hunger screams!

The Food and Agriculture Organization (FAO) of the United Nations reported that more than 102 crore people (a billion people) in the world are starving from hunger and a large majority of these people live in developing countries. The Organization estimates that approximately 1.5 crore (15 million) people are starving even in the richest United States of America. In the 'Annual Hunger Report 2009' the IFO stated that the number of the starving people has increased enormously as a consequence of food scarcity combined with global economic crisis which reduced the food supplies from different countries. The IFO released the report on the 16th of this month on the occasion of global food day.

(Andhra Jyothi, October 15, 2009)

If people are suffering from starvation even today, what could be the reason for this problem? In fact, will this problem ever be solved in the capitalist

system? People remain hungry even during the times when there are no crises. The report says that the problem escalated manifold as a consequence of the crises. In this news item, it is said that only 102 crore people have been starving. That is, however, not true. All those manual labourers live without proper food and shelter. Land exists in all countries. So do the rivers. So do the working masses. Even then, even minimum hunger is not satisfied for crores of people. Since thousands of years, the same problem has continued relentlessly.

* * *

Have a look at the following news clipping! Many dozens of such news items have appeared:

అమెరికాలో

డెల్ ప్లాంట్ మూసివేత

905 మంది ఉద్యోగులకు ఉద్వాసన

న్యూయార్క్: అమెరికాకు చెందిన కంప్యూటర్ దిగ్గజం డెల్, ఉత్తర కాలిఫోర్నియాలోని తన డెస్క్‌టాప్ కంప్యూటర్ మాన్యుఫ్యాక్చరింగ్ ప్లాంట్‌ను మూసివేయనున్నట్లు ప్రకటించింది.

వచ్చే ఏడాది జనవరిలో ఈ ప్లాంట్‌ను మూసివేయనుండగా... ఇందులో పని చేస్తున్న 905 మంది ఉద్యోగులు రోడ్డున పడనున్నారు. కంపెనీ భవిష్యత్ ప్రణాళికలను దృష్టిలో ఉంచుకొని ఈ ప్లాంట్‌ను మూసివేయాలని నిర్ణయించినట్లు డెల్ చైన్ ప్రసిడెంట్ ఫ్రాంక్ మిల్లర్ తెలిపారు. ఐదేళ్ల కాలంలో డెల్ లాభాలు తగ్గుముఖం పట్టాయి. ఈ నేపథ్యంలో 2011 ఆర్థిక సంవత్సరంలో 400 కోట్ల డాలర్ల వ్యయాన్ని తగ్గించుకోవాలని కంపెనీ నిర్ణయించింది. ఇందులో భాగంగానే తన ప్లాంట్ మూసివేత నిర్ణయం తీసుకున్నట్లు తెలుపొంది. డెల్ కంప్యూటర్ ఉత్పత్తిలో ప్రపంచంలోనే రెండో అతిపెద్ద కంపెనీ.

(Andhra Jyoti, 9-10-2009)

The DELL plant is shut down in the United States of America.

905 employees laid off.

New York: The computer giant DELL announces that the manufacturing unit that makes desktop computers in Northern California, USA will be shut down. As the plant is going to be closed next January, 905 employees working there will hit the road. Frank Miller, Vice President of DELL, said that the decision to shut the plant down was taken keeping in view the future plans of the company. The profits of DELL dwindled in the recent times. Against this backdrop, the Company decided to trim the annual expenditure for 2011 by 400 crore Dollars (4 billion Dollars). The decision to shut the plant down is obviously an integral part of this plan. DELL is the second largest company producing computers in the world.

In this news report, we find only 905 people who had lost their jobs. However, this is only at one company. All other companies in all other countries have been doing the same. Overall, people who had lost their jobs run into lakhs. How can people live if they are denied an opportunity to work? They possess no land. They possess no other means of production. They have to beg for work at one owner or the other. The owner may give a job or take it away as per his wish. The capitalist will say, “I don’t need an excess number of workers”. However, all of the land, and all the means of production are in their possession. They will remain as their properties.

However, these resources are not their real properties.

The working masses, therefore, must confiscate all the means of production (including the land and the factories) from their possession

and from their control. The owners also must be made to work along with the workers. There must be a common plan coordinating the processes of production among all the branches of production. Then, there will not be a problem called unemployment.

* * *

In the name of reorganization

Five thousand jobs do a vanishing act

Houston, November 2: In the wake of economic slowdown, Royal Dutch Shell company is going to lay off five thousand employees in the name of financial reorganization. The organization decided to cut down production as the profits have plummeted in the third quarter. Peter Voser, who took charge as CEO of the organization last July, decided to lay off five thousand employees who had been monitoring the transition-2009 program in the Anglo-Dutch oil and gas group which undertook the reorganization from the beginning of this year. This constitutes 4.9% of the 1.02 lakh employees employed in the organization. Voser announced that substantial measures have been implemented to ensure future success in the face of existing competition. Voser said that although the prices of oil are rising commensurate with demand, the current scenario is totally uncertain. He opined that escape from the economic slowdown cannot be envisioned in immediate future. He informed that the organization will be completely restructured by the end of this year.

(Andhra Prabha, 3-11-2009)

It is said that the company will be reorganized! Which means, it will be restructured! The number of workers will be downsized. Total one lakh and 2 thousand (0.12 million) people work for the company. Five thousand people out of this total figure have been laid off presently. “The organization decided to cut down production as the profits have decreased?” Why did the profits descrease? Because the sales dropped. Why did the sales drop? The market doesn’t need the goods. Nevertheless, they manufactured the goods. The goods do not sell. Therefore, they will cut down production. They will downscale the workers. Then, how will the workers live? It is not the responsibility of the capitalist. When in need, they will employ more workers. When there is no need they will cut down the workers. The workers will find an opportunity to work not based on their need to earn livelihood, but based on the needs of the capitalists only. Regardless of how severe the crisis is or how steeply production has fallen, the capitalists can never be losers. All the hardships are for the workers alone. They own no land. They possess no other means of production. All the employment opportunities are in the hands of the

capitalists. They, however, have no need for more workers. When they acquire more profits by having more work done by employing fewer people, how is it profitable for them to provide jobs for all?

Then, how are the workers to survive without jobs? – why should they live in the first place? Why are they needed? The capitalists, indeed, have no need for them. Nonetheless, they must live on for themselves. By comprehending this issue, one can understand what kind of problems can be created by the capitalist system. How can the opportunities of getting goods produced and giving jobs be in the hands of the capitalists? Why isn't one's livelihood in one's own hands? These are genuine questions. These news clipping of the crises depict the crux of the matter explicitly. The working masses still lack the intelligence to understand this.

* * *

See in the following clip what the fate of the workers during the periods of crisis is:

Laying off workers; freezing the wages; wage reduction; increasing working hours; reducing the overtime rates, bonus and pension, downsizing other essentials; annulling or curtailing regular jobs and hiring casual, contract or other forms of temporary workers in those positions; squashing the right to form worker organizations and the right to go on strike; physical assaults and assassination attempts on the union leaders and activists – all these measures have become a regular practice in all the countries. The economic crisis that engulfed America since the end of 2007 and the rest of the world since September 2008 has pushed the attacks on the working class to the peak. The crisis rendered both the living and working conditions of the workers miserable.

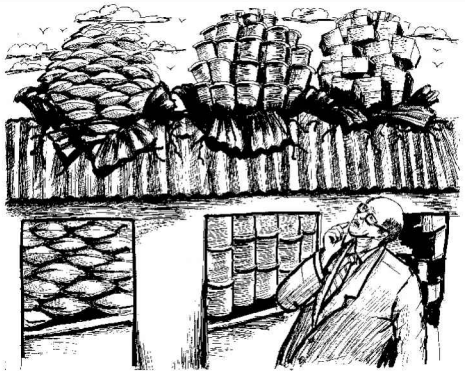
Approximately one crore (10 million) people lost jobs worldwide in 2008. It is estimated that around 5 workers lost their jobs every minute in 2009. On 26th January 2009 alone, in a single day, 80 thousand people lost their jobs. A large number of companies resorted to wage-freeze.

The effect of this economic crisis has been quite severe in our country as well. Since the beginning of the crisis, 25 lack people directly and an equal number of people indirectly have lost their jobs in export-based industries. In other sectors too, wage freezing and wage reduction are being implemented using direct as well as indirect strategies.

In these times of crisis, what exactly are the working masses doing?

In several companies, negotiations on wage reduction and increased workload are in full swing between the managements and the worker unions. Workers as well as employees worldwide are beginning to organize struggles against the attacks that profoundly impact their living and working conditions.

('Praja Pandha' weekly, 15-10-2009, p. 5)



A capitalist stares at his unsold goods in amazement.

The capitalists borrow loans from banks and manufacture stacks of goods. They, however, cannot sell them. The money invested in the goods is not returned. They cannot pay back the bank loans. The banks are rendered bankrupt without cash.

అమెరికాలో...

నేలరాలిన బ్యాంకులు నూరు

తాజాగా మరో మూడు బ్యాంకులకు తాళం

In America....

A hundred banks bite the dust

Three more banks are busted afresh

Three more banks have declared bankruptcy in America. With this, the number of banks declaring bankruptcy has reached 98. 'With this, the number of banks fallen after the onslaught of the subprime and economic slowdown has reached a century', say the market sources. The government is shutting down banks that are unable to pull along with their accounts full of loans and their coffers empty.

The freshly bankrupted banks are the Warren Bank of Michigan, Jennings State Bank of Minnesota and the Southern Colorado National Bank. The loans due to the Warren Bank are 53.8 crore Dollars (538 million Dollars) and the total deposits constitute up to 50.1 crore Dollars (501 million Dollars). The Federal Deposit Insurance Corporation announced that the deposits have been transferred to the Huntington National Bank of Ohio. The Minnesota Central Bank is acquiring the deposits of the Jennings State Bank amounting to 5.63 crore Dollars (563 million Dollars) of loan and 5.24 crore Dollars (524 million Dollars) of deposits. The deposits of the Southern Colorado National Bank have been transferred to a bank in the same state. With the bankruptcy of the three banks, an additional burden of 26.3 crore Dollars (263 million Dollars) is on the Federal Deposit Insurance Corporation. The agency is already facing losses with all of its assets having been evaporated. The Federal Deposits Insurance Corporation announced that the total burden of insurance that befell them will approximately be 10,000 crore Dollars (100 billion Dollars) in the aftermath of the bankruptcy of the banks during 2009-2013.

(Andhra Jyothi, 4-10-2009)

There also have been stray incidents where a few engineers among workers who lost their jobs killed their own children and then committed suicide out of desperation. We do not find such perverted tendencies among workers engaged in manual labour.

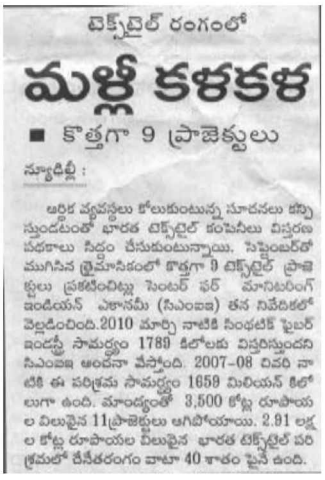
Look at the following news item! While crores of people have been starving, see what is happening here!

Milk dumped

Seen the photo? They are soaking mother earth with containers full of milk. If you think this is a religious ritual to appease the rain gods, you are mistaken. Protesting against the drastic fall in milk prices, milk traders in Belgium threw away 30 lakh liters of milk in a farmland.

(Andhra Jyothi, 17-09-2009)

After a while the crisis recedes.
See a change that transpired in a company.



టెక్స్‌టైల్ రంగంలో

మళ్లీ కళకళ

■ కొత్తగా 9 ప్రాజెక్టులు

న్యూఢిల్లీ :

ఆర్థిక వ్యవస్థలు కోలుకుంటున్న సూచనలు కన్పిస్తుండటంతో భారత టెక్స్‌టైల్ కంపెనీలు విస్తరణ పథకాలు సిద్ధం చేసుకుంటున్నాయి. సెప్టెంబర్‌తో ముగిసిన త్రైమాసికంలో కొత్తగా 9 టెక్స్‌టైల్ ప్రాజెక్టులు ప్రకటించినట్లు సెంటర్ ఫర్ మానిటరింగ్ ఇండియన్ ఎకానమీ (సిఎంఐఇ) తన నివేదికలో వెల్లడించింది.2010 మార్చి నాటికి సింథటిక్ ఫైబర్ ఇండస్ట్రీ సామర్థ్యం 1789 కిలోలకు విస్తరిస్తుందని సిఎంఐఇ అంచనా వేస్తోంది. 2007-08 చివరి నాటికి ఈ పరిశ్రమ సామర్థ్యం 1659 మిలియన్ కిలోలుగా ఉంది. మాంద్యంతో 3,500 కోట్ల రూపాయల విలువైన 11ప్రాజెక్టులు ఆగిపోయాయి. 2.91 లక్షల కోట్ల రూపాయల విలువైన భారత టెక్స్‌టైల్ పరిశ్రమలో చేనేతరంగం వాటా 40 శాతం పైనే ఉంది.

The textile sector glitters again
Nine new projects

New Delhi: The Indian textile companies are preparing plans for expansion given the signs of revival of the economy. The Centre for Monitoring Indian Economy (CMIE) declared in its report that 9 new projects were planned in the quarter that ended in September. CMIE estimates that the capacity of the synthetic fiber industry will expand to 1989 million kilos by March 2010. During 2007-08, the capacity of the sector was 1659 million kilos. Eleven projects worth 3,500 crore Rupees have been terminated as a consequence of the crisis. The handloom sector enjoys 40% of the share in the 2.91 lack crore Indian textile industry.

(Andhra Jyothi, 19-10-2009)

What do we learn from this news? Before the crisis, the industry had a capacity of making 1659 million kilos of the goods. They have miserably failed to sell even that much. 'Eleven projects worth 3,500 crore Rupees have been terminated as a consequence of the crisis' – they admit themselves. They fail to learn even after this. They plan to increase the production capacity even higher. "The capacity of the synthetic fiber industry will expand to 1989 million kilos by March 2010" - they estimate! The implication is to raise production even higher! This is the solution they can find to solve the crises!

The capitalists lose nothing due to these crises. They get even more extravagant.

The real hardship befalls the working masses. Unless the workers realize these issues, they cannot be liberated from slavery.

The Bank of India makes a profit of 323 crores

In the public sector , Bank of India earned a net profit of 323 crores following a gross income of 5165 crores for the second quarter that ended in September. For the same period, the fixed profit rate of the bank increased by 3.37 percent to reach 14.09 crore Rupees. The management profit remained at 1206 crores.

(Andhra Jyothi, 7-11-2009)

This is the profit for 3 months! A part of this profit was earned as interest and the other as management remuneration. Collectively, the two components made 323 crores, in 3 months!

ఆర్‌బిఐ 'బంగారం'

ఐఎంఎఫ్ నుంచి 6.7 బిలియన్ డాలర్ల విలువైన 200 మెట్రిక్ టన్నుల బంగారం కొనుగోలు

The RBI's gold

Purchase of 200 metric tonnes of gold valued at 6.7 billion Dollars from IMF

Washington, November 3: The Reserve bank of India purchased 200 metric tonnes of gold valued at 6.7 billion US Dollars (approximately 32,160 crore Rupees) from the International Monitory Fund (IMF). The scheme of the IMF to provide more loans to poor countries by collecting funds by selling gold has been receiving good response - said Dominique Strauss- Kahn, the Managing Director of IMF. A total of 403.3 metric tonnes of gold will be sold, he mentioned. The selling of gold is a crucial step in realizing the goals of the IMF, he added. He stated that in addition to developing countries, the countries below the poverty line will also receive significant help through the funds earned by selling gold in the long run. He disclosed that the prices of the gold metal were determined on a daily basis according to the prevailing market rate between 19th and 30th of October. India purchased gold worth 6.7 billion Dollars or 4.2 billion SDRs - he stated. It is well known that at a meeting of the IMF Board of directors held on the 18th of September, a decision was taken to sell one eighth of the gold reserves lying with the Fund.

The gold futures to reach a record level

Mumbai: The investors' sentiment received a significant boost in the national bullion market following the news that India purchased 200 metric tonnes of gold from the IMF. The price of gold increased to a record level in the Futures Market. On Tuesday, the price of 10 g of gold in the multi commodity exchange bullion session of the December contract reached 16,248 Rupees.

The price for the same contract on Monday was 16,173 Rupees. Kishore Narne, Vice President, Anand Rathi Commodities commented that the reason for the price rise was the gold purchase by India from the IMF. The prices may increase further in near future, he added.

(Andhra Prabha, 4-11-2009)

What is seen in this photo? Blocks of gold. These blocks are kept in the secret stores of central Banks in every country.

[Children may not be able to comprehend this news now. In this book, we haven't had a discussion on banks. Nevertheless, read it once and leave it. You will understand this issue after learning about the banks].

The IMF stands for the International Monetary Fund. RBI is the Central Bank of India. The news clipping says that the Indian bank has purchased a certain quantity of gold from the International Monetary Fund.

Why should the International Monetary Fund possess gold? And, why did it sell gold?

Rich people store money in banks, don't they? The bank uses that money in a transaction, earns an interest and pays a part of that earning to the depositor as interest, doesn't it?

What the International Monetary Fund does is also money-lending business, but on a larger scale. To do that business, the IMF too needs money, right? All countries have to deposit some money with the IMF. 'Money' doesn't mean the 'paper currency' of those countries but gold. Gold is the currency of the world, isn't it? That is how the organization acquires blocks of gold. Not five or six kilos, but a few thousand tonnes. All of them collectively constitute the deposits of the bank.

The paper money is made in proportion to the value of the gold blocks. The paper money of a country will be made when a loan is to be given to that country. All the countries keep taking loans from the IMF, keep paying back interest as well as the loan principal and keep taking loans again. This way, the IMF continues to do money-lending business with all the countries of the world.

Isn't the current phase one of crisis? In all the countries, sales have slowed down and the banks have been emptied of cash as the capitalists could not pay back loans to the banks. The IMF, therefore, got a great opportunity to promote its money lending business. The IMF can sell off a part of its own gold deposits to convert it into money and lend it to the countries. The countries will now take more loans. The banks will give more loans to their own capitalists. The capitalists will urgently pay back the banks their dues. In this entire process, the interest earned will benefit even the IMF.

Why does the IMF plan to sell the gold? "To give more loans to the poor countries" with the money earned by selling the gold! In addition to regular loans, to give 'more loans'! More loans will fetch 'more interest', won't they?

You know what is the status of the poor countries? "They are all below the poverty line"! Not a few people, but the whole countries are in poverty! However, the capitalists of these countries are not in poverty. The gold was sold, therefore, to give more loans to such countries to extract 'more interest' from them!

The board of directors of the IMF decided to sell 403.3 metric tonnes of gold and give the money as loans. This makes it one eighth of the total gold, which is in the possession of the IMF. Then, calculate how much gold the IMF has in its custody! 403.3 x 8 = 3,226.4 tonnes!

What is sold presently is only 200 tonnes. The price of gold is also seen in the news item. The price of gold increased from Monday to Tuesday! The Fund people are delighted that they could get a higher price on Tuesday. They could have extracted a higher price on Wednesday! (Aren't they smart enough?).

Alright, why did the central bank of India buy the gold then? If we do not overlook the capitalist principle that 'one does things only for some profit', we will find an answer to every question.

The IMF disclosed its intentions behind the selling of gold. We, therefore, know the reason – to give 'more loans'. The Reserve Bank of India, however, did not give any explanation why it purchased the gold. We, therefore, will have to guess the reason ourselves.

Perhaps, the Indian Government intended to print more and more paper money! To this end, won't the Government have to deposit more gold? By stocking up the gold in the banks, printing crores and crores of paper money and lending out more loans with the money, won't the Government earn more interest? This may be the reason for buying that gold!

Alternatively, the Government may intend to cut down on some of the foreign bonds held as a guarantee for the paper money and make gold as the guarantee instead!

The Indian bank has not disclosed the 'specific reason for the purchase of the gold'. We, therefore, cannot know its specific requirement. We can still comprehend all these matters, if we can regularly receive information about these banks.

Finally, for one reason or the other, the Indian Reserve Bank purchased the gold. But what will the Indian bank pay the IMF in exchange for the gold? The paper money will not be of any use, will it? Then, should gold be paid back again in exchange? How can one give gold in exchange for gold? That cannot be the case. In the Reserve bank account, India will have reserves of foreign exchanges, earned by selling its goods to many other countries. India will transfer these reserves to the IMF.

All this is not necessary to us. However, understanding one issue in this context would suffice. This being a time of crisis, the Monetary Fund sold off that gold to earn more interest.

If we know properly about capitalist exploitation, the very word 'gold' should leave our blood boiling.

Now that you have seen these 10 news clippings, read carefully such future news clippings that appear in the newspapers now and then! ★

86. All human beings are class human beings: the so-called 'class' is not monolithic!

With the exception of the primitive ages, all the societies from ancient times to the present are class societies. The society of tomorrow, which aims at transforming the capitalist system, will also be a class society. Only the society that will take shape beyond tomorrow will be the classless society.

In this book, what we discussed about the classes and the societiesis very limited. Only in *Marx's 'Capital,'* it will be possible to study these issues in greater detail. That book, however, is a tough nut to crack. While some chapters are easy to understand, others are more difficult. There are Telugu

translations of the English version of this book. Reading a few random sections in these translations can be delightful.. But, prior to this, if one reads my *'Introduction to Marx's Capital',* the difficulty may decrease to a certain ex-tent. Later on, one may go ahead and read the original book.

'The class' is not a monolithic structure:

In any class, there are bound to be different sections (divisions). In the working class, the manual and intellectual types of labor constitute the principal sections. Among these sections, there exist hierarchy and distinctions in terms of types of labor, conditions of labour, values of labors, values of the labor powers and also living conditions. There exists the domination of intellectual labor over manual labor. There exist distinctions among various sections of the labourers. The nature of these distinctions however, is only a friendly one, not a hostile one. A worker gains nothing by exploiting another worker. The precondition for the continued success of working class struggles is that each section of the working class must have clarity about other sections, as well as the realization that 'all of them are workers' and also concern for unity among all the sections.

Coming to the 'exploiting class', depending on the number of labels under which the surplus value is divided, there will be that many sections in this class. There will be conflicts among these sections regarding the division for higher shares. These are the conflicts that arise in dividing the booty of the surplus value. The wars between countries are also waged only to share the heap of surplus value exploited.

It appears that the wars are fought to possess the land and its resources. This is not true, however. The capitalist derives no benefit regardless of how much land he occupies, none whatsoever if he seizes all the land on earth. Labour needs to be performed on that land. Agricultural Labor, industrial work, business transactions must take place. Heaps of commodities must be produced with these types of labor. The surplus produce (the surplus value) must be extracted out of these heaps.

That is the fore-most thing needed! Any competi-tion or any war is always for the sake of surplus labor. Only for the sake of profit. For surplus money. Not just for the bare land.

In the exploiting class, there exist both friendly and hostile alliances. A king may attack another king, kill him and occupy his country. The capitalist rulers also do the exact samething. It is possible to seize the heaps of surplus value of all the countries by occupying all of those countries and killing their rulers. In this manner, there exist only hostile relations among all the exploiters in this class.

However, when a struggle against the working class be-comes imminent, the antago-nistic affinities within this class cease momentarily. In suppres-sing struggles of the working class, all the exploiting classes unite and merge into a single rock.

Questions and Answers

1. All human beings are class human beings – what does this mean?

A. Every person belongs to one class or the other. To a class that performs labour or to a class that does not perform labour. Within the same class to one or the other section.

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2. To which class Rajamma belongs?

A. We cannot say just like that. We need such details as what kind of labour she performs, where she works, or if she does not perform any labour etc..

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3. Rajamma washes clothes for a few households every day. What is her class?

A. Since she performs labour, she belongs to the working class. However, we should also know if she works for a master or on her own. We have to know this aspect as well.

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4. A legislative member. He has no property. What class does he belong to?

A. Should this question be asked? To become a member of the legislative assembly, one should win the elections. Lots of money is needed for that. Even if he himself does not own that money, this is suggestive that some capitalists must have furnished money for his win. As a member of the assembly, what will he do in the assembly? Did he go to the assembly

with a view to change the laws that favour exploitation of labour? No. He went to the assembly to support such laws. The entire governance will be in favor of the landlords, the capitalists and works for the benefit of their properties. He is a small cog in that machinery. Therefore, he too belongs to that class.

5. A policeman. To what class does he belong to?

A. What kind of police person is he? If he is a traffic police who guides the traffic on the roads, then he is a worker as simple as the one who sweeps the roads. In contrast, if he is the one who raids the agitating workers with a gun, he will be the one who is in support of the exploiting class interests and is opposed to the people.

6. How to understand the class of a person?

A. Does the person work or not? What is the source of income for that person's maintenance? Is that person a master or a worker? These are the things one should consider irrespective of whether that person is a woman or a man.

7. What is the so-called 'middle class'?

A. 'Middle class' is the one which lies in between two things. Between which two? Presumably between the topmost class and the bottommost class. Between the one above and the one below. The people at the middle level also work. These could be people who perform middle-level intellectual tasks or the small-scale capitalists who also work along with their workers. These people are neither too poor nor too rich. However, the motto of these people is only to become rich. ★

87. Working class smeared with muck of all ages

The working class of the world as a whole remains buried in total ignorance even today. The struggles of this class have been revolving around 'wage increases' alone. 'The monetary outlook,' or the sole 'exchange value' perspective, is the first and foremost evil trait that the working class has imbibed from the ruling class. This money-oriented perspective of the

workers is not just for their sustenance. It attributes value only for money and enslaves them to money. All the evil traits of the ruling class are blended into this outlook.

Marx described the working class as the one smeared with the "muck of all ages". This is Marx's criticism of the ideas of the working class, despite his love for this class.

The single most positive trait of the working class is that it performs labour. This positive trait is the one that sustains the entire society. This class makes a living based on its own labour. However, if we set aside its positive trait, the entire ideology of the working class is akin to that of the ruling classes except for this positive trait. The ideas of the ruling class are the ideas of the people.

Among slaves, there could be a few who may have faithfully served their masters and promoted themselves into masters.

Likewise, among tenant farmers, there could be some, who, out of their obsession for riches, may have transformed themselves into landlords.

Among wage laborers too, there could be some, who transformed themselves into capitalists. These are only a few rare and specific instances.

If we consider larger sections of the working population, they are the people who labor and toil, all their life. Their knowledge, however, is no different from that of their masters. It knows nothing about labour relations. A great majority among the toiling masses dream of becoming rich themselves, earn fame as 'celebrities,' and employ people in their service.

The higher grade workers at work places, such as engineers, doctors and teachers, are not aware that they too are workers. They presume them-selves to be 'superior employees' and consider only those who do manual labour to be workers. This is the wisdom level of the intellectual labourers who earned a degree education.

This muck legacy is found among all sections of the working class irrrespective of whether they are intellectual or manual labourers. Nearly all of them hold the same mistaken ideas and indulge in wrong behavior towards nature as well as society. Those who make machines and those who

operate the machines, both these sections within the working class, render their brains dispensable by worshipping machines (by way of putting vermilion dots, lighting camphor and saluting them. Most illustrious and experienced doctors also advise their patients to worship gods and conveniently hand over their patients to the worship of the deities. Even Space scientists carry the pictures of gods around their necks while going on a mission to study other planets. A female labourer would resort to superstitious treatment by way of *mantra* when her kid suffers from fever. What is the difference between her ignorance and the ignorance of a space scientist?

The higher grade workers dominate the lower grade workers who are subordinate to them. They exhibit the same attitude and behaviour like their own masters. Male workers dominate female workers. Workers of all levels in the working class, whether male or female, adopt the culture of the master class. They eagerly look forward to emulating the luxuries as well as addictions of the class of masters. All this muck is due to the assimilation of exploitative cultures of past ages.

To achieve its own liberation, the working class must learn a lot. First of all, it must be aware of the theory of exploitation of labour. Realizing the cruelty of such relationships and the meanness of such cultures, the working class must ensure that their thinking and behavior do not even come close to the shadows of that ideology.

The workers who are immersed in the ideology of their masters and make wage increase the sole aim of their lives, will only dedicate their lives to slavery. Regardless of how high the wages are increased, the capitalist loses nothing. He will increase the wages on the one hand and will raise the prices of the commodities to earn more profit, based on the increased wages,on the other hand. What will happen then? To what extent will the wage increase liberate the workers?

The workers must learn about the concept of exploitation of labour through *Marx's Capital.* They should make emancipation of slavery their sole aim. The workers must make themselves competent enough to become

builders of new kind of human relations. They should improve their own knowledge to be competent enough to recognize every single wrong idea and every single wrong message emanating from the class of masters.

The knowledge that can abolish exploitation of labour will be the new knowledge, the revolutionary knowledge. A struggle of this nature will be revolutionary struggle.

Whether or not such a struggle will acquire a violent character will solely depend on the exploiting class, not on the working class. If the exploiting class understands exploitation of labour, rejects that way of living and voluntarily agrees to live on its own labor, there will not be scope for any struggle or any form of class violence. This, however, is only an illusion. Just unrealistic imagination! The exploiting class will only attempt to suppress the working class struggles, not reform its own self. This is what history demonstrates. To liberate itself, therefore, the class struggle becomes inevitable for the working class.

The obligation of the class struggle does not end with attaining state power. The attainment of the state power is not for scaling the chairs of ministerial positions. From that very moment, changes in property relations and labour relations will commence. At the beginning of the new society, the exploiting class still exists as before,even though not in power. The exploiting class strives to overthrow the rule of the working classes. There will be hindrances against every change that the working classes attempt to make. At every stage, a revolutionary struggle must be waged to eliminate the exploiting relations and culture.

In order for the working masses to implement every change to oppose exploitation of labour, the majority of these masses must be aware of the concept of exploitation of labour. They must know why the rents, the profits, the interests, the ownerships and the dominations must be opposed. They must be aware of the history of the laboring classes starting with the period of slavery.

Just as the exploiters oppose the abolition of the sources of exploitatative incomes, the intellectual labourers will also

oppose the need to perform manual labour. Likewise, men grumble to perform household tasks. And similarly, women at home attempt to dominate over the household workers. All these wrong practices have their origin in the past. In order to change these wrong practices, the working masses must understand what is unjust in these relations. Unless this new knowledge is acquired, the intellectual labourers will not be inclined to perform manual labour. Moreover, they will not permit those sections that have been committed to manual labour for ages to become their equals. In a similar fashion, the manual labourers also will not allow their women to become their equals.

The working masses must struggle not only against the landlords and the capitalists, but also against the wrong ideas that have been deep-rooted within them. A worker will not automatically become magnanimous, beyond the need for transformation, just because he or she performs some labour. Whenever the working people are defeated in a struggle against the class of masters, the underlying cause for their defeat is the working people themselves.

Depending on how competent and united the working masses wage their struggles,the master and worker relationships will transform into collective and equal relationships with the same level of rapidity and intensity.

Although the struggles waged by the working class are for its own emancipation, they will also lead to the emancipation of the class of masters! When exploitation rights and incomes become impossible, the exploiting class will gradually give up the mean and cruel ways of living on exploitation of labour and switches to a path of living on its ownl abour with self-respect.

'Will this world ever change?'- We need not entertain such doubts. We just need to look into past history. The world has been changing. The fact that the world has undergone transformation from the age of slavery to the present one, and the secrets of exploitation of labour have been unraveled, shows that the world has been changing for good. This is good not only for the working class, but also for the exploiting class.

Exploitation of labour continues

even in present day society. The antagonistic contradictions spurred by the exploitation still exist. These very contradictions often lead to struggles.

Even the struggles waged for justice may be weakened, defeated, or silenced at times. This setback, however, is not the final outcome. The struggles will not end unless the hostilities end.

Just as the slavery ended, the wage slavery will also end. The aim of the struggle of the wage slaves is much superior to that of the slaves!

Questions and Answers

1. Isn't Marx's theory, a foreign theory? Will it be applicable to all the countries?

A. Marx talked about elimination of exploitation of labour. This is applicable to every country where exploitation of labour is present. Science, in any form, is useful for all, regardless of who discovered what or where. Does exploitation of labour exist in India? Do classes exist? Do rents, interests and profits exist? Do worker and master relations exist? Such exploitation of labour exists not only in India, but all over the world. A doctrine that can eliminate exploitation of labour is essential for every place wherever the exploitation of labour is present.

2. How will the laboring people with muck legacy transform into people with correct ideas?

A. It should happen by means of associations. Such associations must be formed everywhere, in the neighbourhoods, at work places, everywhere. The associations will have their manifesto that will define their goals and a set of rules and regulations indicating the rules of practice. Members of the associations will carry out the tasks of the associations. Misconduct of the members will be criticized within the association. Only through this process, the workers will learn correct ideas and appropriate behavior. The struggles must be waged not only against the enemy class, but also against the wrong ideas and wrong behavior embedded within them. The various activities of the associations alone will liberate them from their faults and cleanse them.

88. Will this world of exploitation ever change?

Will this world ever change or not?

It will, only if we change, otherwise it will not.

Changes in nature don't have any connection with human efforts. For 'full moon' to happen, people need not form associations. It will happen on its own. Eclipses, full moons, new moons — all of them come and go with noreferenceto human beings. They arenatural events.

The changes in society, however, are not like that. They do not happen on their own. Human beings have to bring about any changes that they want in human society. Changes must be brought about by those people who need the changes.

How did the slavery of old times change? It changed because the slaves fought against slavery. Would the system have changed without struggle? If all the slaves remained surrendered to the slave masters with obedience and tolerated all the cruelties like in the early times, the old slave system would be continuing even to the present day. Since the slaves did not tolerate the slave system, the system changed.

Leaving primitive society aside, each society that followed is a society based on exploitation of labor. Changes in any society have been brought about only by the struggles of those people who needed the changes. There is, however, a big difference between the aims of the struggles that the previous laboring classes, such as the slaves and feudal tenant farmers waged and the struggles that the working class must wage following the unmasking of the mystery of the exploitation of labor. There lies a fundamental difference.

The aim of the struggles of the slaves was to abolish slavery alone. The slaves would have been content if the system that makes them the property of the slave masters is gone. Provided that system is gone, the slaves will be willing to toil as laborers under the authority of the masters. As they were not aware

of the exploitation of labor, the aims of the slave struggles would not have any aim other than liberating themselves from slavery. If the slavery is abolished, the slaves would become feudal tenant farmers.They toil as ever and provide surplus labor to their masters. Except for one amendment to the constitution that "slaves are not the property of the masters", no other changes will ensue in the society. The laborers would not get the land. Masterly domination over them will not vanish. After getting rid ofslavery, those laborers would have no more responsibility to rebuild the constitution, the governance and a new society. Even after slavery was eliminated, the society belonged only to the masters. It was the rule of the masters only. All the means of production belonged only to the class of the masters. The same old hostile class relations prevailed. The slaves were not aware of all this.

Similarly, the aim of the struggles of the feudal tenant farmers was also limited. The aim was limited 'to lessening the burden of the land-rents'. If the rents were not exorbitant, and reduced in quantum, the feudal tenant farmers have no objection to pay the reduced land-rents. Since the feudal tenant farmers too were not aware of the exploitation, the aim of their struggles was not opposed to the domination of mastered. They were ready to accept that 'the land belonged to the landlords'. Although due to the struggles of the feudal tenant farmers their aims have been fulfilled to a small extent, in the form of reduction in the land-rents, the society ensued thereafter was also a society of exploiters. It was also the rule of the masters. Even then the hostile relations existed. The feudal tenant farmers were not aware of all this.

The aim of the working class struggles is a totally different one. This class is now aware of 'exploitation of labor' (not that every worker is aware). The aim of this class is - total liberation from exploitation of labor and masterly domination, to abolish the rule of the class of masters and initiate the rule of the working class. And to eliminate the class distinctions in due course. This aim is not as simple and restricted as that of the working classes of the past.

The aspiration of the working

class to liberate itself from exploitation of labor is not for fulfilling an 'ideal'. This is not a favor done to someone. This act is in self-defense of the working class. This is only to liberate the working class from exploitation and servitude of several generations! Which class is in need of such liberation? Which class is in need of such a change? The working class. If this class fights for the change, the change will come, otherwise it will not.

To abolish labor exploitation, the property rights, by means of which the exploiters live without their 'own labor', must be abolished. The land is not made out of the landlord's labor. The means of production, such as the mills and factories, are not made out of the labor of the capitalists. All the means of production are only made out of the labor of the workers from previous times. Therefore, there is no injustice, violation, evil or domination if the property rights of the landlords and capitalists are abolished and if it is made mandatory that every human being must live on its own labor. Instead, such a change will only be just, appropriate, righteous and egalitarian.

The transformation that the working class must achieve is not for reforming or uplifting the exploiters. It is not for 'a social reformation' performed out of pity. This is a change that must be brought about for self-protection and to terminate the atrocities perpetrated on themselves for ages!

To have the authority to bring about these changes, the working class must possess State power. The working class will be able to implement its own regulations only through State power. Exercise of State power by the working class is not to repeat what the master classes did.

The people of 'lower' castes constitute the large majority of the Indian working class. These people haven't yet reached a stage to understand the labour relations and exploitation of labour. Nevertheless, these people too aspire for State power, only to get an opportunity to sit next to the masters, as parliamentarians and ministers! The aim of the lower castes is not to change the laws related to property rights formulated by the ruling classes. The aim to abolish the exploiting property rights does not appear anywhere

in their manifestos. The primary objective of the intellectuals of the lower castes is to extend the reservations further, into all the sectors! How long should we live on the system of reservations? – Forever! The castes should remain as such. The reservations too should remain as such. According to the intellectuals of the lower castes, this is the great remedy for the caste distinctions! The real path that the prophets of the lower castes preach is - that the people of the lower castes should grow into the bourgeoisie (into capitalists). These prophets are not concerned with the fact that the lower caste masters who will grow into the bourgeoisie too will need workers, that the workers will belong only to the lower castes and that the lower caste masters will exploit the lower caste workers. This is because the prophets are already bourgeoisie themselves, or because their minds are corroded with the grime of all ages.

The intellectual prophets of the lower castes do not permit anything related to the exploitation fall on their ears. They cannot tolerate the question – are classes due to castes or castes due to classes? All they want is the exploitative property relations, the relations that permit the earning of the rents, interests and profits. They want the constitution of the masters that sustain these property relations. The sole aim of these prophets is to barge into power and bag a few positions here and there! Nowhere do they proclaim that if they come to power, they would abolish the master-labourer relations as well as the exploitative rights.

Instead, there is something essentially different that the lower caste people must learn. They must realize that caste distinctions are a different form of the exploitative labour relations in spite of the temporary relief accrued due to reservations. They must also realize that class struggles are the only means of liberation from all aspects.

The rule of the working classes will begin with the phase of ‘socialism’ and will gradually transform,after passing through many changes, to establish itself as ‘communism’.

Right from the day the working class rule begins, the land would cease to be the property of the landlords. Whether the

land would be divided among the peasants or the 'collective agriculture' begins, will depend on the specific conditions in a given area. The family members of the landlord too will work on the land or will perform a different kind of labour.

Even the factories will not remain the property of the capitalists. The capitalists too will work on the machines and transform themselves into working people.

When the masters are not masters any longer, the workers too are not workers any longer. When all the people perform labor, all of them will be 'producers'. To begin with, there will be distinctions of manual and intellectual labour among the producers.

In order to make a 'product', there is no need for the people who invest the 'capital'. The new society will begin using the means of production readily available in the society. In such a society, there will surely be the means of production and also producers who do the work, without reference to rents, interests and profits! Under the rule of the working class, all these changes will occur through a few phases.

In order to abolish the exploitative property rights and the exploitative sources of income and to implement the condition that 'every person must work,' the dictatorship of the proletariat is a mandatory constitutional form. The dictatorship is only for eliminating the relations of exploitation. Without the dictatorship, there will never be such laws and such changes. It will again become the state of the masters. If the proletarian dictatorship is implemented properly and the relations of exploitation disappear gradually, the dictatorship too will disappear.

Under the rule of the capitalists, such entities as masters, workers and the unemployed are eternal! Within this system, there is no need for any change other than perpetuating the relations of exploitation. Landlords, capitalists, production of their commodities, wage bargains with workers, rents, interests, profits, bribes, increasing productivity, piles of commodities, crises, subjugation of workers, unemployment, assassinations, suicides, crimes, and wars – over and over again! Everlasting! The same problems,the same relations, are perpetuated over and over again.

The present-day capitalist system has stooped to the level of selling the commodities by stripping the dress of women's frames, making them stand-naked and exhibiting their bodies by means of advertisements. The working masses are still in a helpless state to reject such advertisements! No changes in the future that can bring peace and happiness for all, can be expected in the capitalist system.

It is the responsibility of the working class to transform this gloomy world. This is a responsibility that the working classes of the previous times did not have!

It is the working class that must administer this total transformation.

[No questions in this lesson] ★

89. Is reconciliation possible between classes?

Reconciliation will be very nice, if it is possible. This is what should happen. It, however, depends on the exploiting class. The exploiting class must realize the wicked nature of its exploitation and prepare itself to relinquish its property rights. Occupying themselves in an employment (performing labor) and earning the wages, this class must realize that living on its own labor is the responsibility of all human beings. If the landlords and the capitalists agree to this understanding, then there is no need for any struggles between classes. The differences can end in a cordial manner.

This is, however, a meaningless illusion! The history proved many a time that a change of this nature is not possible. The present day exploiters are also the descendants of the slave masters. Their philosophy tells them to continue as masters. Well, then, what alternative does the working class have except the class struggle?

Question: Can't we make good changes in the existing society in a democratic way without struggles?

Answer: We must, if we can. That is certainly a better thing.

However, we cannot do so. The existing democracy is the democracy of the masters. It is useful to address only their problems. "The ruling class lives without performing labour. That is wrong. All people need to perform labour. There should not be master-worker relations" - if the working class protests this way, will the present democracy agree to it? The class of masters would say, "Ours is also labour – not exploitation. Rents, interests and profits are our right". If the workers insist, "These laws of property rights are unjust", will the masters concede? Will they relinquish the property rights? They will not. They will at once hang such workers from the gallows. Or present them to the firing squad. What should the working class do, with such a class of masters?

What did the slaves in the past do? What would have happened if they thought, "Let us beg the masters to better ourliving conditions without a struggle"? The same society would have been continuing to this day. The workers of the present day would have been the slaves of the past times. Since these workers are wage slaves, there is a need for the struggle even now. The struggles will stop only when the exploitation ceases.

Question: Is struggle also not violence?

Answer: There will be just struggles and unjust struggles. A just struggle is not violence. It is self-defense. It is the path of liberation from the atrocities perpetrated on them. However, if mistakes are committed in such efforts, then it amounts to violence. When the struggle takes the right course, it will not be violence.

In fact, it is the class of masters who initiate the violence. Who would commit violence, the slave master or the slave? Why does the class of masters possess the police, the army, the weapons, the prisons and the gallows? Who possesses these forces: the government or the working people? Those who talk incessantly about violence should first raise the question,'why does the government posses weapons'. The aim of the class of masters is to suppress the working class. It is violence. If the master slaps the worker, it is violence. If the worker retaliates and slaps his master, it is not violence. It is self-defense. In the class struggle, there is justice on one side and injustice on the other.

There will be struggles even when there is injustice on both the sides. There will not be struggles, however, when there is justice on both the sides.

In fact, if we understand the phenomenon of exploitation of labour, then the question "Is reconciliation possible between the classes?" will not arise. If there must arise unity between the hostile classes and the class differences should altogether vanish, who must change? The class that perpetrates exploitation of labor must give up the wrong practice. But, will it give up? A struggle with this class, therefore, is inevitable for the other class.

Question: What is the problem with this cartoon? What is the solution for this problem?

Answer: Between the two, only one person is doing labour. The other is not doing any work- that is the problem.

Solution: Both must do labour. Then both of them will be equals. When there exist classes that do labour on one side and those that do not do labour on the other,how is reconciliation possible?

[The questions are within the lesson, not separately] ★

90. The head is – for thinking!

The eyes are – for seeing.
The legs – for walking.
The hands – for working.
The head – for thinking.
We may listen to anyone.
After listening, however, we should think on our own.

"For the land – rent, and for the capital –interest and profit!

- This is one way of thinking.

"Rent, interest and profits pave the ways for exploitation of labor!"

- This thinking is opposed to the first one.

We should listen to both the arguments and rationalize. When in doubt, we should question both the sides. And get our doubts cleared. We cannot go on thinking for years altogether. When two opposing arguments are placed before us, it is easy to think rationally. The process of thinking ends after examining the arguments. Concluding the process of thinking, we must arrive at a final and logical decision. From that moment, we must take the side of the logical thinking.

'The Capital', the work written by Karl Marx, is a critique of the capitalist economics and also the beginning of rational economics.

Except for the concept of 'price', nowhere in the works of the capitalist economists, do we find the concept of 'value'. According to them, price includes 'expenses + profit'. Rent and interest also constitute the expense. Profit, which is the last expense, also needs to be recovered. Except for these incomes, we don't find the word 'exploitation of labor' at all in their books. As per the capitalist economics, relations between masters and workers are quite natural! Quite honorable! That is how they ought to be! Some people must remain as masters and others as workers, eternally! That is their economics.

For the lecturers and professors who teach this economics to students, it is a great science! 'What role do rent, interest and profit play in the production of the articles?' – they can never formulate a question of this nature. They are not concerned about questions like this.

And, those economists who author scholarly books on economic issues, glorify the greatness of the capitalist system over and over again in their volumes. They avouch and prattle that this is the final destiny of the society and that the society has attained the highest level with the principle of 'profit rate'. In return, they bag great awards and felicitations from the capitalists. Must we clarify that the awards and felicitations come only from the 'mass of the surplus value of the labourers'? Economists like Amartya Sen can even secure a Nobel Prize with ease.

Should we assume that 'the intellectuals' such as these did not read Marx? Perhaps they did

to a tiny extent. If the intellectuals remain the same even after reading Marx, as they were before reading, then, such intellectuals are of no avail to the workers. It is not such intellectuals that we are asking to think. Nevertheless, they too think over. Only after thinking they obviously chose that path.

Thinking is of two different kinds. When two mutually contradictory perspectives are presented, we have to examine both of them, without inclining towards either side in the very first instance. 'Is this aspect correct or that other aspect appropriate?' - we should reason meticulously based only on logical thinking. For the masters, their own reasoning is appropriate for their benefit. They will accrue comforts and assets out of that reasoning. Whichever reasoning bestows all the riches on them is the precise perspective that they seek. That is their class perspective.

In a similar way, shouldn't the workers too have their own class outlook? Is their outlook restricted to only a raise for a few more coins? Actually, who are the owners in the first place, to give wages? Doesn't a fraction of the workers' own labour contribute to their wages? Shouldn't the workers know this? If the workers continue to agree with the propaganda of the landlords and the capitalists without making an attempt to think on their own accord,why do the working masses need heads? Isn't it enough that the masters alone have their heads? Why do the working people need heads, an unnecessary burden to carry around?

'Rent for the land? And interest and profit for the capital? Can one get a profit just by adding it?' Shouldn't many such questions occur to the workers? Leave alone the questions, shouldn't the workers at least read books that describe how wrongful such incomes are and how the whole working masses are affected by them? Shouldn't human beings know about human lives? Shouldn't one learn about one's own way of living? Shouldn't one be appalled having realized the kinds of atrocities that are unleashed on the world due to these 3 kinds of incomes?

It is for the exploited, not for the exploiters, to learn all that is to be learnt!

The science of economics is necessary for every member of the population. The 'science of medicine' is necessary only for some, not for all. The physicians acquire that knowledge and treat people. The 'science of mechanics' is necessary only for some people. Any other science is also necessary only for some. All of these are sciences that teach about the laws of nature. The science of economics, however, is not like that. This is the science of the relations between people. In the capitalist economics, we can see the capitalists and the workers - wages, profits and all. We can also see all of these aspects in the economics that is opposed to the capitalist economics. However, in the anti-capitalist economics, we can see human relations in their entirety. We can understand why these relations remain like this. We can discern the place of every human being in this system.

Every person must ask – 'To which class of this society do I belong? To which section within that class? Do I live off my own labor or on exploitation?' One must know what one's own occupation is and what one's means of income are.

If you take a panoramic look at the entire population in the society, just notice where people are located at different places. They will be found scattered all over - at work places (productive or non-productive), residences, schools, hospitals, roads, recreation centers, resorts, tourist locations, orphanages, protection homes, places of worship, or prisons. All human beings, without exception, will be found scattered across many places. In countries where huge capital exists, there may not even be a handful of independent producers. That doesn't really count. We have to divide the entire population into 2 diametrically opposed classes.

All children belong to class the same category as their parents. Today's children will be tomorrow's workers, capitalists, landlords or the like. If they make a living out of profits and interests, they will belong to one of the capitalist categories – productive capitalists, mercantile capitalists or money-lending capitalists. They will be landlords, if they live off rents. House rent also includes the land rent. There is a lot of exploitation in what is called 'rent'. They will be

workers – only if they live on their own labour.

A few companies announce with great pride that they "made a profit of so many crores this year". They make such statements, not because they are unaware that 'all this profit is out of exploitation'. After Marx's writings, all capitalists are aware of labor exploitation. It does not mean that they have studied all of Marx's writings. Even if they haven't read, they are aware of these facts through hearsay. They are fully aware that all that profit of crores is out of exploitation. Nevertheless, they blatantly and shamelessly make announcements to this effect because they know that the workers are unaware that 'the entire profit is due to exploitation of labor!' They would have shrouded these details in secrecy if only the workers were aware of their exploitation. They would have kept this information highly confidential.

All their account calculations are falsified. If only we can ascertain the real accounts, the profits will be a hundred times larger than those declared crores!

What should the workers think when a company declares that their 'profits are a certain number of crores'? "We toil every day. We get nothing other than the wages! Where is the master earning so many crores from?" – they should raise this big question.

However, they will not. Instead, the workers think that "Isn't the company his own? Has he not invested his capital in it? Should he not earn a profit? And won't he?" – so do the workers reason. It appears to be a legitimate piece of information. It is for this reason that one must think over.

"Who am I in this society? What place do I occupy? What role do I play?" – every individual must question and comprehend his position.

What is the head for? For thinking or not?

Every head does the thinking. No head can remain quiet without thinking. What does your head think of? Does yours think as to what movie should you watch today?

Q: What is the head for? Provide an answer. ★

91. The golden era is ahead, not behind!

Looking at the money relations prevalent in our daily lives, and at the commodity markets, unemployment, economic crises, the world wars and the like,we think many times in the capitalist society, that 'the previous times are better than the present era'. In essence, however, the times where exploitative relations were prevalent or are prevalent are all the same. The working masses suffered misery and torment all the time. Although there are differences in some aspects between the previous times and the present era, the ancient societies were more brutal. The previous times were the ones where there was no scope for the knowledge of natural sciences, civilization or even the minimal rights. Having emerged from the primitive animal stage to the human stage, we have arrived at the stage of the capitalist relations of labour presently. Since these relations too are exploitative, they too must change. This knowledge emerged from this very capitalist society. Liberation is needed not only from the past system of slavery, but also from the wage slavery. This is the stage where that solution has been found. The expedition that the working masses undertake along this path will guide one and all to the egalitarian system that provides peace and comfort to all. The golden era, therefore is ahead of us, not behind!

Let us imagine that the working class defeated the capitalist state machinery and seized political power. The aim of the working class rule is liberation from exploitation. In order to achieve this there will be many tasks that need to be carried out, immediately as well as gradually, in a phased manner.

The state machinery does exist even under the proletarian rule. Also, there will be all branches such as the police, the army, courts and prisons. That rule will be a class rule too. That

rule, however, is not meant for continuing exploitation of labour, but to abolish the exploitation and domination of the class of masters.

Under the proletarian rule, as the past relations of exploitation transform and consolidate into relations of equality, the need for the proletarian State machinery will diminish and will gradually disappear. Any entity that is not necessary for the society will perish. Only, the processes of production, distribution and their organisation will remain.

In the early stages of the new society, it is essential for the working class to have its own state machinery to rule. Producers in that society must bear the costs of maintenance of the state machinery. The component called the 'tax' in the capitalist system will be renamed as the 'social fund' in the new society.

The 'law of value' remains the same in any society. Even in the new society, the value of the products will comprise of the old and new labour (the old labour that comes from the means of production and the new labour performed by the producers).

The new labour will be divided into 2 portions here as well: (1) portion of the wages and (2) portion of the social fund.

The social fund will be under the control of the government. This fund may be spent in a legitimate manner or in an illegitimate manner.

The first issue: The principle that 'Every person must perform labour' must be implemented in letter and spirit. With the exception of the children, old people and the sick, all others, both women and men, must perform labour. They must perform both manual and intellectual labour as their duties. We must explore proper ways and means to make this possible through multiple debates and based on experiences. A system whereby young children aged seven or eight too would perform lighter tasks for short periods, both at home as well as in schools must evolve.

The leaders of the working class party (the communist party) will be engaged in the party activities to ensure the changes necessary for the new society. These activities, however, do not constitute labour which they need to perform for the sake of their livelihood. The leaders therefore must divide

their time between the party activities and performing labour for livelihood.

There will be many mass organizations in the society. The leaders of these organizations must carry out the organizational duties while performing labour for their maintenance.The leadership role in such organizations is simply an organizational responsibility. Such leaders should not have special rights and privileges. As certain number of hours are needed to carry on organizational activities, it becomes obligatory to reduce the hours necessary for personal maintenance. The quantum of time reduction will depend on the given conditions. The leaders will not have more rights than the ordinary people. If the leaders do not perform labour necessary for their maintenance, the society once again will revert to the old society.

Will the government employees and the leaders of the working class party lead a life of fat salaries, special privileges and comforts under the rule of the working class? If it happens so, the system will only become the capitalist system. What goes as 'the social fund' will only be 'the surplus value'.

Another issue: In the societies based on exploitation of labour, there will be 20 or 30 times difference between the values of the lowest manual labour and the highest intellectual labour. This difference is essential for the exploiting class to divide the sections within the working class. Will the same system prevail in the new society also? If it does, then that system cannot be the new society. The difference between the manual and intellectual labour must be only at the indispensable level.

On division of labour: If one person performs the labour of sweeping the roads always and another person that of teaching in a school always, then, that situation will not be egalitarian either in the use value perspective or in the exchange value perspective.

Why does the sweeping person need education and scientific knowledge to continue that profession? All his life, that person will have to just sweep the roads, isn't it? Can't a teacher sweep the roads if he learns it for four days? Can't a physician drive a bus or be a postman if he learns the job for

four months? Can't an engineer cut hair after learning it for a few days? If there is no system whereby people doing intellectual labour must also do some manual labour, who will perform all the manual labour necessary for the society? Should this manual labour remain the responsibility of a few sections forever? The cleaning of the toilets used by the people of intellectual labour should always remain the responsibility of only a few sections! In India, the lowest manual labour and the labour involving cleaning the dirt have always remained the responsibility of the lower castes. Unless this condition is changed, how can it be a new society? And an egalitarian society?

If taught from the earliest age in schools, children will acquire the skills to perform some manual as well as some intellectual labour. The inequality between any two people will arise only out of the differences in the labour relations. Only in the labour relations and division of labour that we must seek the causes of inequality between the castes or between men and women. The slavery embedded within the labour relations is the basis for the slavery of all kinds.

The eradication of the distinctions between classes and the sections within the classes cannot be accomplished by one or two leaders. Every person who performs labour must possess this knowledge. Workers must strive to achieve their own liberation!

[No questions in this lesson] ★

92. The beginning of the Egalitarian society!

In the primitive societies, although there was no exploitation, there still existed hostilities between different tribes. In battles that took place between the tribes for natural resources, the members of the hostile tribes were invariably killed.

The 'system of slavery' began when the conquered members of

the hostile tribes were converted into slaves instead of getting killed. It was indeed progress for those people that they could stay alive at least as slaves instead of getting killed out of tribal hostilities.

Later, in the feudal society, escaping slavery by becoming tenant farmers was advancement for the slaves.

Later, in the capitalist system, transformation of tenant farmers into wage labourers was advancement for the tenant farmers.

Later, the socialist society!

Whether you call it 'Socialism' or 'Communism', they mean the same thing. An egalitarian society. The beginning phase of this Egalitarian society is known as socialism. When absolute equality is established, that phase will be communism.

The capitalist society right away will not become 'a socialist society' after the working class seizes political power. It is possible that there could be a phase prior even to socialism. This phase, however, will be in line with socialism.

Even though the wage system will be still in practice during this early phase, the wages will not be as meager as the minimum wages paid by the master. Here,in the early phase, the entire population will perform labour. For the wage labourers who lived their entire past under the yoke of the slavery to the masters, to lead a life of master-less relations of labour will be progress on several counts. Any progress will have to undergo further transformation if the labour relations integral to that progress still retain antagonistic contradictions.

In socialism, there will be a precise 'working day'. In the working day, there will be discipline that is naturally required. Unless there is discipline that makes it mandatory that 'all must report to work at the specified time and work for specified hours', no work will take place. The system of selling (exchange) of products will still be there. The wages will be commensurate with the amount of labour performed. There will be money still in circulation.

Changes in the division of labour will be taking place.

Gradually, the governments will start to take care of a few needs 'free of cost'.Primary level education could be free. Travel

could be free. Health care could be free. Libraries and movies could be free. Ironing clothes could be free. Hair dressing could be free. Tooth brushes, pastes and soaps could be free. The list of free items will gradually increase in this way. And in human relations, exchanges and money calculations will gradually decrease.

However, a 'free' thing is never free in the real sense. In a family, let us say, both the wife and husband are employed. Let us assume that it would cost a money of 20 (a produce of that value) for the education of their children. If this expenditure must be met by the parents themselves, then the 20 money must be an integral part of their salary. Instead, if this expenditure must be met by the government, then, the 20 money must have been transferred from the values of labour of the parents to the 'social fund' managed by the government. That means, the costs of the children's education are met by the parents, not by others or the government. If the 20 money was not transferred to the government from the labour value of the parents, where will the government get that money from? The money will not fall from up above. The total costs of the education of all the children in a society are borne by all of the parents. This means that the parents work for the education of their own children.

The same applies to all other expenses! Whether it is the costs of health care, transport, hair dressing, ironing or any other expense.

Let us suppose that 10 different kinds of expenses are required by a person per day. When this person's labour value is divided into two parts, how will it be determined what proportion should be the 'wage' component and what proportion should be the 'social fund' component? The division will be determined by the understanding depending on which ones will be met by him and which ones by the government out of those 10 expenses. If the component spent by him is larger, then the wage proportion should be bigger. In contrast, if the government expenditure is larger, then, the social fund component should be bigger.

All that which the individuals spend directly of their own accord or through the government is their own labour only.

The government cannot earn anything on its own without the labour of the individuals.

Let us suppose that a certain expense of an individual is really provided to him not out of his labour but 'free of cost'. Where must this money have come from? It must have come not out of his own labour but that of others. If it is others' labour, will it be exploitation of labour? Anything acquired free in this manner is only exploitation of labour. Therefore, anything said to be free here, is not really free. All that the government offers as free is the labour of the population of a given country. Any expense needed for a person, is the outcome of that person's labour. It is only the components of the people's labour that are transferred to the government as the social fund. For every person, his or her costs must be met with his or her own labour.

The terms 'socialism and communism' existed even before Marx. There were some good people who earnestly desired the new society. They, however, did not know about exploitation of labour. They did not know about surplus value. How can one provide the correct solution to a problem without knowing the real cause? They wanted socialism. But, they could not show the way. They showed the path of petty reforms only. The capitalists and the workers remain just as they were in these reforms. But, they will bond together like brothers! For having imagined socialism in this fashion, these reformists had been branded as 'Utopian Socialists'.

[A book titled '*Science in its Youth*' describes the research conducted on the concept of 'value' since the 2000-year-old Aristotle to the times of Marx. The histories of Utopian Socialists are included in this book. *Anikin*, a Russian economist had written this book and *Nidamarthi Umarajeswara Rao* translated it into Telugu (under the title meaning '*Evolution of Economics: Pre-Marxian Economics*'). We published this book under the banner of 'Pragathi Prachuranalu' (meaning 'Progress Publications') with funds contributed by a few readers. One gets to know some utopian thoughts about socialism by reading this book. One can also understand how many intellectuals made how many attempts

to understand the concept of value. But the mystery of exploitation was not yet exposed at that time. All these developments assisted Marx eventually. Based on this foundation alone, Marx could understand exploitation. Read '*Pre-Marxian Economics*' later on!].

In India, social reformists such as *Mahatma* ('the great soul') Gandhi had surfaced only after the secret of 'exploitation of labour' was exposed by Marx. These reformists, however, embraced exploitation *with both their hands* and rejected the philosophy that was opposed to exploitation of labour. For them, it would suffice if the capitalists treat the workers with a little kindness! In this manner, those great souls turn out to be the guardians of capitalists.

By distancing themselves from such wrong influences, the rule of the working class must make a fresh beginning to implement the socialist changes with an aim to abolish the exploitative relations of labour. If all such changes are carried out properly,especially if the principal changes in the division of labour take place, the value of labour of any two individuals will become equal. Then, there will be no need for the wage system. Every individual can perform labour according to the allocated job schedule and use all products as per needs. There will be no need for any accounting after that. Every individual will labour on a working day as per responsibility and use products as per specific needs.

Once the hostile classes end, the class struggles cease to exist, and every human being realizes that performing both manual and intellectual labour as one's responsibility, and when new ideas (new consciousness) attain such a level, from that time onwards, there will be no 'exchanges'. There will be no 'wage' system. There will be no circulation of 'money'. Calculation of labour necessary to make products will be based on a use value perspective only. Even then, all kinds of necessary products as well as labour processes such as agriculture, industry, transport etc., will remain as before.

The addictive practices such as horse races, competitions in every arena and the perverse cultures based on monetary outlook, will all disappear.

The growth of the productive forces will only be in accordance with the needs of the society as well as the safety of the producers. Science that is contrary to the welfare of the human relations and also the use value perspective will become irrelevant and meaningless.

The length of the working day will be reduced as a result of performance of labour by the entire population in the society. The working day will shrink further, as the productive forces in all branches of production in society grow as per the requirement.

All this is imagination based on 'logic'! 'Logic' that liberates one from the relations of exploitation of labour! This logic is not for the sake of mere ideals. This reasoning is for magnificent human relations that are devoid of the hostile contradictions!

The terms 'socialism and communism' existed even before Marx. Some of the reformists in the past too dreamed of the egalitarian society. They suggested the ways and means that appeared appropriate to them. Unable to grasp 'exploitation of labour', they could not spell out how an Egalitarian society would emerge and through the medium of which class. Since Marx understood the nature of human society precisely, what he formulated became proper social science. What Marx taught is- Marxism. Marxism is the science of labour relations!

When the socialist society transforms into the communist society, that society will progress from a use value perspective and not from the exchange value perspective. What, then, will be there after communism?

Questions and Answers

1. It is clear that the free items which individuals get from the government actually come out of their own labour. But, won't the people try to grab more and more of the freebies? Let us suppose that an individual forfeited a value of 10 for 'the social fund'. What that individual receives free subsequently will be equivalent to the value of 10? Can an individual give less and receive more?

A. There will be a viable plan for everything. There must be coordination

between the value that is added to the social fund and the value that needs to be spent again. It won't be possible to over use certain items even if they are available free of cost. Take the case of tooth brush and tooth paste that one needs immediately after waking up. Let us suppose that these items would last 3 months if used twice a day. What will a person do by grabbing 4 brushes and 4 tubes of tooth paste in a month? There won't be any provision to sell these items and make money, isn't it? Consider the soaps. There will be specialized soaps for specific conditions such as skin ailments and also soaps made for children. In addition to these, there will be quality soaps for people in general. Any of them can be used. Let us suppose that a single bar of soap is enough for a person per month when that person bathes twice a day. Soaps will be distributed to all the people, based on such estimates. Can anyone use 4 soaps in a month because they are free? Consider food. Let us suppose that food is available free of cost in schools, work places and restaurants. Does a person stop eating once his stomach is full or continue eating to fill 2 stomachs? 2 pairs of footwear are sufficient per year. A person needs 6 handkerchiefs per year. Things like underwears, banians, bed sheets and blankets are needed as per certain estimates. Every household will receive 1 or 2 newspapers every day. The books are borrowed free from the libraries. One can read them and return. Will people roam around in buses and trains day long just because transport is free? How many medicines can one swallow because they are free? In the initial stages of receiving free items, there could be some kinds of irregularities. In due course, people will get used to the new ideas, new culture and new behavior of the new systems.

From the beginning of the new society, art forms will begin that explain and teach the ideas and culture suitable to the new relations of labour. With the introduction of the freebies, it becomes the lifestyle of all people. At the outset, this will start only with smaller free items. The system of freebies will be possible depending on the value deposited into the social fund only. For this system to make headway, two things will be necessary: (1) all must perform labour and (2) the old division of labour is transformed at least to a small extent. First of all, all the people must have jobs and comfortable houses. If the provisions necessary are available monthly from the ration stores,

without the need to buy them from the market, then, there is no need for the existing markets all over the globe.

2. What will be the position of the writers and artists in the socialist society? In the present day society, the books of the writers are published by private publishers. Alternatively, a few writers publish books on their own. In the new society, if there are no private publishers, what will become of the writers and their books?

A. Even in the present society, do the private publishers publish every book of every writer? They will only publish a book based on the estimates of the potential sales of the book. Likewise, the society of tomorrow will have its own estimates. In every art form, there will be respective committees constituted of members with in-depth understanding. The writers may send their works to these committees. The works selected by these committees will certainly come out. Novel paths will be laid out based on numerous debates and experiences. The society that abolished exploitation of labour will find solutions that are appropriate from every standpoint. Without such proper practices, it will not be an egalitarian society.

3. Can we visualize a society based on exploitation and another which is exploitation-free through illustrations?

A.

The landlord and the landlady. And the workers in the background.

All working together. ★

93. Communism after Socialism Communism after Communism!

This is the Communist society! All the members are producers linked by equal relations of labour. The basic principle of this society is that one should work according to one's ability and one should get things according to one's need. 'To work according to one's ability' means: if people realize that 'to work is the duty of all human beings and that it earns self-respect', then they will not attempt to evade work. They fulfill their duties with honesty. They will accomplish what is possible within the stipulated time with due responsibility. Likewise, 'taking things according to one's needs' means: not taking more than what is needed. Essentially, these are the 2 aspects that transform the old people into new human beings. These are the new relations that will become the lifestyle of all members. As a consequence of this, the wage and exchange relations will undergo complete transformation. This transformation represents the ultimate level in labour relations.

However, what lies beyond communist society? Communism means, a society characterized by equal labour relations that are devoid of hostile contradictions. Only when the relations reach that level, it becomes a communist society! An egalitarian society! Imagine how transformation superior to this is possible! If the society needs to transform further, how that change should come about?

If a society changes after attaining 'equality', then the change can only be towards inequality. Thereafter, if any inequality transpires, then it will have to transform again into equality. When equality is disrupted, it will have to attain equality again. If equality does not get disrupted, it will simply continue. That means, it will only be communism that endures after communism. For any human society, the egalitarian labour relations devoid of hostile contradictions constitute the highest level of relations. Those

relations will continue.

The theory that "matter is always in motion and keeps changing" is applicable only to natural substances. In the case of social relations, changes will take place as long as antagonistic contradictions exist. Once the hostile contradictions vanish, there will no longer be any need for radical changes.

Any matter or any relation will have two aspects, namely, 'the form and the content'. Let us imagine that a certain society of a primitive tribe contained a specific form and a unique character. The form - an uncivilized form. The character – equal labour relations. That equality is not an equality attained through a higher form of consciousness and comprehension about labour. It was an equality that ensued for protection from wild animals and other such needs of the times.

When the primitive society is transformed into a slave-owning society, the form and the character of the primitive society would also undergo a transformation. Character – exploitative labour relations. Form – the conditions of labour that were absent in the primitive society as well as whip lashes!

When the slave society transformed into the feudal society, the form would change to some extent. The character, however, would be the same old one - that of the slavery era.

When the feudal society transformed into the capitalist society, the form alone would change. The character, however, would be the same as the old one – that of the slavery era.

While examining the evolution of the capitalist society, we should not assume that these changes and transformation phases have come about in an identical way in all the countries. We must consider the classes and the labour relations of a country based on the specific history of that country. However, after the primitive societies, the labour relations that evolved gradually in any country have been only the master and worker relations.There may be some minor variations in these relations.

Today, the capitalist system that is in existence everywhere appears to be a highly civilized system. Its civilization is limited, however, to only the emergence of the cities and machineries,

and to the production of diverse commodities. In reality, the capitalist culture is only the continuation of the culture of the slave masters! The ropes fastened on the bodies of the slaves, handcuffs, chains and iron bands— all of them entwine the frames of women and men as ornaments even to this day! A change - only in the form! The whole content is from the past!

The working masses must center their hopes only on socialism.

When the capitalist society transforms into the socialist society, changes that lead to equality will take place in the character. Changes in the form will also take place accordingly. These changes, however, will still remain incomplete.

When the socialist society transforms into the communist society, the content and form will undergo an absolute transformation in accordance with equal labour relations.

When communism continues to exist, there is no need for any additional changes in the character. Changes may continue to take place in the form.

Even in communism, there will be contradictions that are friendly. The contradictions will assume the form of discussions and debates related to the new productive forces and social organizations. When the right aspect is grasped, these contradictions will vanish. Another doubt may arise about a different matter the following day. There could be appropriate discussions regarding that matter and then that doubt too will fade away. The discussions will always remain. They will enhance the knowledge regarding Nature.

At present, all human societies exist in the capitalist system. This system must move towards socialism. The bygone history shows that the change is inevitable.

The bygone history highlights not only the victories, but also the defeats of the working class. In Russia and China, socialism made an appearance and disappeared as quickly as it appeared! It was defeated no sooner than it had succeeded. The reasons for this are evident only if one is willing to examine. All this is history that is crystal clear.

The ordinary people are not to be blamed for the defeats suffered by the working class in

any manner. The theory that advocates emancipation from exploitation is not to be blamed in the least for the defeats. That leaves only the leadership as the source of these errors. One must always probe the leadership for errors.

The mistakes committed by the leaders in understanding and practicing the theory alone are the cause for defeats. Nevertheless, only through these leaderships, the numerous wonderful victories have also been won. The feudalism was eliminated. The private capitalist system was abolished. And in China, the revolutionary changes to transform the old division of labour made a beginning. However, all those changes were reversed. That means, the working class remains defeated at the present time.

For the victories, the leaders alone cannot be the causative forces. Victories are won only when the common people also join. For the defeats, however, the leaders alone, not the ordinary people, are always responsible. The theoretical ignorance of the leaders, their greed for positions, and their inability to abandon the faulty culture of the past – faults such as these, invariably handout the defeats.

People stick to the old ideology as a result of the failure of the leaders to educate the working masses regarding exploitation. "Why should the bourgeois society be rejected? What is the harm inflicted on the working masses due to exploitative relations? How to change such relations? What should be done to bring about these changes? What kind of changes must be brought about in the new society?" Issues such as these must be understood by the working masses with great clarity right from day one. One and all must know today what must be done tomorrow. The communist party must be capable of imparting the theoretical knowledge to the working masses. People must be equipped with the knowledge to understand exploitation and to oppose it once the political power is achieved. In Russia and China, it appears that such attempts have not made headway to the extent necessary.

Seeing the setbacks in Russia and China, the working masses in other countries may have several doubts. "If Russia

and China themselves abandoned socialism and embraced the capitalist system, then why should any other country strive for socialism? Even if socialism is achieved here by waging struggles, it will have to disappear one day, isn't it? Isn't capitalism inevitable?" – questions such as these drown the working people in desperation.

However, the attempts for socialism are necessary again and again, not only in other countries, but also in Russia and China. However,it is not the working class that embraced the exploitative system in these countries, but the same old exploiting class that is addicted to plundering. The working class need not applaud the victories of the capitalist class just because this class turned out victorious. The working class should always have its own goals of liberating itself. The working classes in the past too endured defeats for hundreds of years. But, they did not let go of their aims. The working classes of Russia and China too will have a future again. They will gain new wisdom out of the old experiences. They will abandon the old mistakes and develop positive aspects further.

History shows that the human society gravitates only towards progress. The 'golden era' lies ahead, not behind!

[No questions. Still questions, even in the last lesson? Still doubts? Things should be so clearly understood that there won't be questions any longer.] ★

94. What the working class must accomplish?

Marx describes what the working class must accomplish. Shall we listen? First, hear this out!

"Let us keep aside the whole servitude issue involved in the wage system. The working class ought not to have unrealistic expectations about the ultimate outcome of these everyday

struggles….They ought not to forget that they are fighting

against the effects, but not against the causes of those effects; that they are slackening the downward movement, but not changing its direction; that they are applying palliatives, not curing the malady. They ought, therefore, not to totally immerse themselves in these unavoidable guerilla fights incessantly springing up from the encroachments of capitalists or changes in the market…Instead of the *conservative* motto: - *A fair day's wage for a fair day's work!* They ought to inscribe on their banner the *revolutionary* watchword: - '*Abolition of the wage system!*'….Trades Unions work well as centers of resistance against the encroachments of capitalists. They fail partially from an injudicious use of their power. They fail generally from limiting themselves to a guerilla war against the effects of the existing system, instead of simultaneously trying to change it, instead of using their organi-zed forces as an instrument for the final emancipation of the working class that is to say the ultimate abolition of the wage system." *["Wages, Price and Profit"]*

"But these defects are inevitable in the first phase of communist society as it has just emerged from capitalist society after prolonged birth pangs. 'Fundamental Right' can never be higher than the economic structure of society and its concomitant cultural development.

In a higher phase of communist society, after the enslaving subordination of the individual to division of labour is over, after the antithesis between intellectual and physical labour has vanished, after labour has

become not only a means of livelihood but life's prime target, after the productive forces have also increased along with the all-around development of the individual, and all the springs of co-operative wealth started flowing more abundantly — only then can the narrow horizon of bourgeois rights be crossed in its entirety and society can inscribe on its big banner: "From each according to one's ability, to each according to one's needs!" [*Critique of the Gotha Program*]

The reference Marx made to 'guerilla fights' must be understood as the 'stealthy, temporary, and small-scale struggles'. What the working class must achieve is embedded in Marx's words quite concisely and explicitly.

To render labour relations among human beings devoid of contradictions, things should change in such a way that 'each would contribute according to one's ability and each would receive according to one's needs'. This alone represents the highest stage of human relations devoid of contradictions!

What steps should be taken in order to attain such a stage?

The working masses, armed with absolute theoretical knowledge, must attempt to liberate themselves from exploitative relations, in addition to the fights that they wage on a daily basis for increased wages, improved facilities and the like, at work places. They must study the doctrine that abolishes exploitation.

Without such attempts, the relations of wage slavery will continue forever.

The working masses must understand the slavery disguised in the wage system. Who are the owners in the first place? How did they gain supremacy to offer employment to others? Why all the means of production are in their possession? Why should a worker stretch out his hands in front of another begging for a job? When clarity emerges on these issues, one will realize that the masters must become equals to the workers. One will realize how revolutionary the concept that 'the wage system must be abolished' is.

Marx also tells us that for a change of this nature to happen, 'the contradiction between manual and intellectual labour also must disappear'. When one person is cleaning the sewage and another is engaged in teaching forever, how can the living conditions of these two become equal? Therefore, the division of labour perpetuated in

the exploitative societies must also change.

To work is human duty. Human responsibility. If a person lives without doing any labour, that means he is living by exploiting others' labour. This is the essence of the teachings of Marx.

Another quote from Marx:

"...*the economic edifice of the society is the totality of the production relations. That consti-tutes the real foundation of the society. The external legal and political structures are erected based only on the economic foundation*". This principle makes the backbone of Marx's theory.

To understand the society in which they live, human beings must understand the 'foundation' of the society. Human beings need products to live and labour needs to be performed for the products. The labour relations that produce the products constitute the foundation of the society. The production relations mean nothing but labour relations. Either of the words means the same.

The constitution and its laws, education, arts and culture will all be in accordance with the nature of the production relations and acquire the same character themselves.

How would the legislative laws be in a slave system? They would proclaim that 'the slaves are the property of the master'. Education in that system would teach the same relations. Art forms including stories, songs, dances and the like would be created only to support these relations.

Likewise, how are the legislative laws in a capitalist system? The laws of that system ascertain that the workers must always work for the capitalists, take wages and live in shanty towns whereas the capitalists should earn profits and live in mansions.

Are the production relations of a society, master-worker relations or egalitarian? This question reveals the nature of the foundation of the society. All other aspects of the society depend on this nature.

All these issues are implied in those few words that Marx said.

We must consider another issue here. **This book, written for children, is not a substitute**

for Marx's *Capital*. The lessons in this book are only primers. Reading these lessons is not equivalent to learning all things found in '*Capital*'.

Children or adults therefore should not be content reading this book. They must also study Marx's '*Capital*". At least they must read *'An introduction to Marx's Capital'*. Without that, they will not be able to understand properly what 'Marxism' is and how to seek liberation from exploitation of labour.

Marx wrote '*Capital*' in German language. That was translated into other languages. There are translations of this book from English into Telugu.

Das Kapital.

Kritik der politischen Oekonomie.

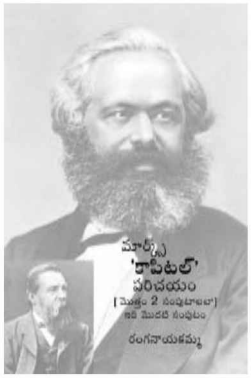
Von

Karl Marx.

Erster Band.

Hamburg
Verlag von Otto Meissner.
1867.

Cover page of German 'capital'



Cover page of Telugu 'Intro to 'capital'

Children who read this book "**Economics for children**" will not remain children forever. They must keep learning about the exploitation of labour and the means to abolish it as they grow. A great majority of these children will join the ranks of the working class.

'The Communist party' is an organization necessary for the working class to fight united to liberate itself. By the time the working class assumes State power through revolution, the society still continues to be an exploiting society. The landlords and the capitalists still continue to remain slothful, unaccustomed to performing labour. In a society like this, transformation must commence from the first day itself to eliminate exploitation of labour. The working population must be endowed with theoretical knowledge by this time. They should not, at this juncture,start learning that theory for the first time.

Within the party constituted by the working class (the communist party), the members will be at different levels with respect to ideology. Among the members, there will be some revolutionaries raging with indignation against exploitation of labour and others who may not favor proper changes. That means, among the members themselves, there will be a

distinct 'revolutionary path' as well as a 'bourgeois path'. One should not wonder:"What is this bourgeois path within the workers? How can it exist?" The theoretical knowledge of the workers could be flawed and fragmented. Besides, won't changes follow next in the old division of labour? The intellectual workers will have to perform manual tasks as their duties. There will be many intellectual workers who will not like this. They like the elimination of the authority of masters over them, but not the elimination of their own authority ove rmanual labourers. They do not relish the fact that they too must perform manual labour. Intellectual labourers are not concerned about the liberation of manual labourers who have been committed to menial tasks for generations. Out of the changes that are required for equality, they will like only those that favor themselves, but not others. Men do not like the changes that are necessary for the liberation of women. In this manner, even within the working masses, there will be several contradictions. All of them hinder the progress towards equality. Therefore, the working masses must be continuously educated right from day one regarding what'equality' means, the kinds of contradictions that must be eliminated, how justified such transformation is, and the changes that must be brought about in the days to follow. And there must be regular discussions about the theory itself.

When people with bourgeois ideology join the communist party of the working class, it is bound to transform into a bourgeoisie party in due course.

It is for this reason that the working masses must know what Marxism is with absolute clarity right from the start.

"Are the owners not paying wages to workers? Where is exploitation of labour?" – question the masters. Every worker must know the answer to this question.

Highly reputed professors themselves are not aware of exploitation of labour in the least. Nor do they consider it worthwhile to know anything about it.

Neither a doctor nor a teacher knows exactly whether he is a worker or not.

Members of the household do not know that those who work in

the houses are workers.

The working masses are plagued with many problems all their lives. The capitalists are troubled with problems of a different kind. Even then, no one is concerned about the causes and the solutions.

The working masses cannot find solutions to their problems as separate individuals. The problems themselves are of a collective nature. They must be tackled only through collective struggles. The theory that can liberate them from exploitation of labour is necessary for this. And Marxism which teaches that theory is necessary. The theory and the organization that will have to implement the theory – these two elements – are absolutely necessary for achieving liberation from exploitation.

Only when guided by correct theoretical knowledge, the organization will liberate the working masses from false ideology, wrong conduct and misguided culture of many generations. And cleanses them.

All this constitutes the process of eliminating exploitation of labour!

What must the working class accomplish? – It must accomplish its own emancipation.

It will also be the liberation of the exploiting class from resorting to exploitation. ★

95. Facts are bound to defeat illusions!

We have seen so many lessons, haven't we? Nevertheless, we feel as if we haven't seen much about the capitalist system, if at all? We also feel that something crucial about the capitalist system has not been shared yet.

In any society, regardless of the identity of the country, there will be crores of people, won't they? How should they sustain themselves? Shouldn't there be arrangements, within the system itself,for all the members of the society to live comfortably? However, such basic amenities are not available in any of the exploitative societies. In the capitalist system, however, the situation

deteriorates to the utmost hideous level.

All of the capitalists are private business people. All the means of production that have been accumulating out of the labour of thousands of years remain with the business people as their own properties. The people who really made these means of production, by virtue of not having the possession of these means, must go to the capitalists to beg for jobs. If jobs are offered, they should work. If not, they should remain idle. However unscrupulous or distasteful may the jobs offered be, they must perform the jobs without uttering a word. When instructed, they must make liquor, must make swords, must make bombs, must adulterate things, must wage wars and must fill the magazines with vulgar and sexy pictures. There is no concern for the likes or dislikes or for personal opinions of the working people.

Even if the working people are prepared to work without uttering a word, the capitalists are not liable to offer jobs to all the people who seek jobs. They provide jobs only to as many people as their needs dictate. When their needs diminish, they even lay off employed people from their jobs! It is their right! It is neither the responsibility of private businessmen, nor that of the Government or the society, to provide jobs to all. People must live of their own accord. Ask not "how to live?" – That is all!

Almost all the people believe that the Government cares for them as its own children and that the legislators and the ministers undertake the work of governing them. In reality, however, not people in the Government, but the property of the owners itself that does the governance. In the capitalist system, it is the capital that does the governance! In any country, all the governors, presidents, prime ministers and chief ministers, all must comply with what the capital (the capitalists) says and dictates! Even the presidents and the prime ministers cannot retain their lucrative posts unless they defend the interests of the capital. In fact, they themselves are super rich! And they are fully aware of their own interests.

In principle, why should one human being beg another for an opportunity to work? How can one human being have the

authority to offer or not offer a job or remove another from a job? How did this person get this authority? These questions have not arisen in the heads of the workers, even to this day.

The primitive society of the past has reached the current stage. In this society, even a person drawn from the lower caste, or the Black race or any other 'inferior' category will resort to the same manipulations if elected to the post of the president or the prime minister, same as the person drawn from an upper caste. This is because these people are not opposed to exploitation and also because they have sworn to make the capitalist system remain forever.

In this country, the gift offered to the society by a woman chief minister of 'dalit' caste was to make the people prostrate before her own statues in every nook and corner! Spending funds from the State revenue for her own statues! People who are tormented by hardships must find succor by prostrating in front of the statues of the Chief Minister!

The dalit intellectuals do not have an iota of anger towards the conduct of the dalit ruler. They are not inclined towards leaving her instantaneously or quitting her party immediately. This is because the ambition of these intellectuals is to promote themselves as capitalists, ministers, or schemers adept at plundering the income of the government!

The fundamental thing to learn about the society, therefore, is not whether the rulers belong to higher or lower castes or whether they are white or black. The real issue is whether they are supportive of the exploitation of labour or opposed to it. The real question is what the rulers who have undertaken governance are going to do regarding exploitation issue.

Today, exploitation of labour exists in the form of capitalist system itself. A struggle against it, therefore, is necessary.

The capitalist system, in its initial stages, introduced a few progressive measures for the sake of the working class. This was only one phase in human history. The uniqueness of this phase has ended.

As of today, the capitalist system has produced a phase where the teeming millions cannot find food. Just as the

dynasties of the feudal kings and emperors, even these regimes of the 'bourgeois' kings cannot provide people with meager sustenance. Poverty has spread over the entire world today. Because of this system, people have slumped into such a deplorable situation that, forget about food, they *cannot even find grass.* The face of the green earth is overlaid with concrete structures. Agriculture is vanishing from each and every village. The working masses have to sharpen their imagination to anticipate the atrocious tendencies that might emerge in the ensuing ten years. They will have to await the atomic wars.

The capitalist system of today, therefore, is not progressive any longer. This system must disappear in the annals of history.

If the capitalist system continues forever, it will cause terrible harm to the working class. Not for the working class alone, it will be a disaster for the human society as a whole, planet earth and entire Nature itself!

While exploitation continues unabated, it won't be helpful to nurture illusions of prosperous times in the lives of the workers when a person of dalit caste or a black person ascends the throne and perpetuates the same kind of rule.

Facts are bound to defeat illusions! ★

The final word

Children!

Have you read to the end? Have you read all the lessons?

Could you furnish answers to the questions?

You have read only once, haven't you? That is not enough. Return to the lessons one again. If you read once again, then you will see how easy it is!

Reading this book means that you have begun to learn Marxism!

You are all children today, but tomorrow you will be adults. Tomorrow, many of you will become workers. You will perform many different jobs. A few among you will become diverse capitalists and different kinds of business people. Yet a few others will be — unemployed.

In other words, some among you will be begging for jobs tomorrow, and some will be providing jobs!

Marxism is essential even for those people who provide jobs to realize who exactly they are in the society. Marxism is necessary for these people to understand the kind of delusion that they are sunk into.

Learning Marxism means to witness the nature of the society that we live in and the nature of our relationships in that system directly!

After realizing this, changes that upturn our erroneous ideas and wrong practices must occur. Wherever immediate change is possible, there must be immediate transformation. Wherever changes are possible only gradually, there must be gradual transformation.

We live in India. In this country, there is a vicious thing called 'caste'. Some people's names carry tags that reveal their caste: Shastry, Sharma, Reddy, Chowdary, Achary — repellent tags like this.

Children! Take note of a few suggestions!

1. If there is a caste symbol in your own name, consider how wrongful it is to have such a tag! You are not responsible for this misconception. Your elders have given you those names. However, if you permit the wrong practice to perpetuate even after you started thinking on your own, then, you too will have a share in the responsibility. Think how unjustified and opposed to equality it would be to proclaim that 'I belong to a certain upper caste'! Appreciate how justified it would be to side with justice and lean towards equality!

2. Among the children who read this book, there will be many hailing from the lower castes. The people of the lower castes presently consider it a mark of self-respect to carry the tags of their castes in their names. They are unable to understand how self-betraying this practice is. They think that the reservations continue only if the lower castes exist. They do not contemplate how to bring about a system that needs neither reservations nor caste differences. Just because the lower castes need to exist to retain reservations, they prefer to carry the caste tags in their names as if it is a good thing to remain as lower caste people. Indeed, availing reservations is necessary; however, carrying the caste tags is opposed to abolishing the caste. As long as the lower caste people are willing to remain committed to

their own castes, the upper caste people need nothing more. Further discussion regarding this matter is not required here. Children of the lower castes must think about this issue.

3. It is not good that you only read your class books all the time. It is not good that you are obsessed with marks and ranks. You must study because that is needed for earning livelihood, but you must also read good literature every day. Even today, children are still reading the fantasies of kings and queens. Additionally, the lavish life styles of the *Zamindars*. Furthermore, writings full of gods, devils, spells and other superstitions! The narrations recounted by the elders, inside and outside of their homes, convert children into old folks in their childhood itself. The narrators know only that much. They are not aware of the slaves of the previous times. They can recount only the stories of silly superstitions. Read them too! However, learn to question at every step. Learn to use your head.

4. "Go to the temple, break a coconut, fold your hands in front of the deities, you will score more marks", say the elders. You must not set out in that direction. You should ask several questions: "Why does god need the coconuts? How will he eat them? First of all, have you seen god? Has anyone seen? Will you show us? A lot of people do not have dwellings. Even we do not have comfortable houses. Why do the stone statues need mansions? Why spare space for the temples?" You must get appropriate answers to these questions, from the elders. But, you will never receive right answers from them. Is it not a waste of time visiting the temples? That is not all. For Gods who no one knows anything about, lakhs of acres of land are dedicated, and temples, jewelry and silk robes worth crores are committed – how stupid all this is! All this makes big business! By remaining in ignorance such as this, won't the children harm themselves? Make delicious *chutneys* with your coconuts at home. If you redirect the time that you spend on roaming around the temples and on propitiating the stone statues, towards your own education, you will be a lot wiser.

5. When you read something, to know whether that work is proper or not, we should raise logical questions based on it.

Logical means, when you pose questions, you should also know the answers. When the right answer is found, there will be no more questions. The questions cease to exist. Without questioning, it is not possible to learn anything. Animals do not think, therefore they do not question. However, this is not the way the human beings behave. You should not be scared of the adults and blindly believe in what all they say.

6. Is it not the obligation of all human beings 'to do labour'? This must begin with the household chores. The children too must perform a few household tasks. This is not just for the sake of 'helping the adults'. They must do so realizing that it is their responsibility.

7. Let us suppose that you bought an item - a pen, pencil, notebook or some other item. While admiring 'how beautiful the item is', you must also consider 'which workers may have made this item! And with what kind of labour!' One should be reminded of 'the labour' whenever seeing an item. In the villages, seeing fresh vegetables, people would say "how gorgeous they are! Which farmer may have grown them"? Likewise, on seeing a particular item, one must recall the labour of the people that made that item.

8. During the vacation period, children go visiting other places. During these visits, what will they see? They go after forts and temples. They will recall the king who constructed them. Then, they will go to the movies, zoos or museums. But, they do not visit a single factory where the products are made. Hereafter, go and visit some mills and factories where the workers toil. A soap factory, oil refinery, biscuit factory - visit as many as possible! Find how all the products that we use are made and who makes them all. While observing the workers, also notice whether the owner of the factory is also present at the workplace! At the workplace means, checking whether the owner is present near the machines!

9. There is an abundance of theories to understand the society. Some say that 'corruption must vanish', but they won't specify why corruption exists in the first place and how it will be abolished. Yet others say that 'the environment must be detoxified', but they cannot detail how the sanctity of the environment is lost and how it can be restored. A few others say that 'humanity

must be promoted', but they won't tell us who is destroying humanity and why. Indeed, all of these are real issues. However, those people who debate on these issues are reluctant to see the underlying causes. If you go after the causes, you will be forced to reject 'exploitation' of labour and the capitalist system altogether, won't you? The reformers do not like that. They will be obliged to understand all this. All these theories are only intended to divert the people from moving towards Marxism. We therefore must listen to anything that people say. However, we must see if this theory talks about exploitation of labour or not. We must accept the philosophy only to the extent justified. Only that much consideration must be given to this philosophy.

10. In the society that we live in, there are many bad things. The conditions are such that crores of people do not have enough food on their plates and shelter over their heads. In every possible way, the crimes are rampant! In every direction, the struggles are imminent! Why do we need wars? Why lacks of people in every country must fight as soldiers and die in battles? What is this all for? For the interests of which class? What kind of class that must be which brings about wars for its own benefit? How many things exist that must be deliberated and understood!

What kind of society do you want? Do you need a good society that is devoid of poverty, begging, crimes, skirmishes, and wars - such an ideal society or not? Do you realize now, how critical is economics to appreciate human relations and human society? Can one understand the nature of human relations by knowing the science of medicine or of botany, but not the science of economics?

Read this book again! After you are grown up a little more, also read '***An introduction to Capital***'! Thereafter, choose your own path, perhaps you will be the ones who will perform the jobs or the ones who will provide the jobs! Perhaps you will be the ones who wage wars or the ones who make others wage wars!

Children too belong to the same class as their parents. Children automatically absorb the teachings of their parents. Nevertheless, children must also have their own wisdom!

Children! Always think of 3 things!

(1) Justice, (2) Justice, (3) Justice.

★

About the price of this book

[*The account of expenses incurred, given here, is related to the first Telugu edition of this book. The current expenses, however, are different. But the procedure of fixing the price is the same.*]

Since you have read about issues such as the value, price and the mercantile commission in these lessons, you will now understand how we arrived at the price of this book.

All the labour required for the making of this book, beginning from the value of labour of writing to the final stage of production, collectively makes the value of this book.

The composing, illustrations, films, paper, printing, the title cover, and binding – all expenses put together amount to one lakh and 5 thousand Rupees. This was the expense incurred for 1,500 copies. (If we add at least 10,000 rupees towards the writing labour of one and half years to the above costs, the expenses will go up further. However, as I don't take the value of labour of writing, I am not adding this expense. Even if I don't add this expense, it implies that the book possesses so much value. Though we have to add the value of the writing labour to the price of the first print, we need not add it to every subsequent reprint. The labour of writing does not take place afresh over and again whenever the book is reprinted. Hence, we need not take into account the value of labour of writing for every reprint as we have done at the time of first print. To make our example simple, therefore, we are not adding the value of labour of writing to the price even in the first print.)

Since the total expenses incurred for 1,500 books was 1 lakh 5,000,

the price of each book = 1,05,000 /1,500 = 70 Rupees.

Should the price of the book be fixed as 70?

'Profit' is also a component of the value of labour. Hence, we need not add something in the

name of profit. It implies that profit value is also present in the making of the book.

In order to make the books available to the readers, selling should take place. Work of selling involves some expense. This expense also must come out of the value of that commodity. Hence we will not know the total price of the book unless we add the amount paid as mercantile commission to the expenses of the book.

Currently, we offer 50% commission on my books to the sole-distributor. Therefore, we have to fix the price as double the production expenses. The production expenses of the book are 70. An additional 70 will be the commission. Both together make it 140.

If we fix the price of the book as 140, 70 will be gone as the commission and the remaining 70 will come back. This means that the expenses of production are recovered, at no profit and no loss, to those who published the book.

However, what is the price that we fixed for this book? 100 Rupees.

What does this mean? From this price of 100, 50 will be gone as the mercantile commission and another 50 will remain.

Expenses incurred for the book - 70

The amount returned — 50

The loss -—— 20

If 20 is incurred as loss on every book,

The total loss on 1,500 books = 1,500 x 20 = 30,000.

Giving away a book of 140 value for 100 means, giving a value of 40 to the buyer free.

Why did we fix the price of the book incurring a loss? It will be easier to buy a book at a lower cost. In fact, people who must read books of this kind are not rich. Most of them may not have much money. The books must be within reach for such readers.

If this book goes for second edition, there will not be the costs of composing and negative films, but all other expenses will be there. The costs of paper and printing plates may even increase. In other words, every time this book is reprinted, a loss of nearly 30 thousand must be borne.

This is the case not just with this book alone, but with each of the 45 books that are published

by The Sweet Home Publications. More losses if the books are sold faster and the books are reprinted. Less loss if the books are sold less! All this is upside-down!

"Does anyone help you? Otherwise, how will you afford the losses?" Question a few. The salaries which three members of our family get are those of intellectual labourers. Does a professor need a salary of 90 thousand a month? In a software company, the capitalist earns thousands of crores, therefore the average salary will be above a lakh. There are other reasons why the salaries are escalated this way. These are unjustified salaries. Our family does not have the luxurious means to spend these salaries. We are not interested in accumulating properties. We own a house. We can sustain ourselves, and that is sufficient for us. Our children will be educated. One must earn livelihood out of a job, not based on properties. There should be no gold or silver in the house. Hard to find an ounce of gold or silver at our place, even if that is necessary for some medicine. We do not indulge in luxury travels or recreational tours. No giving or taking of gifts. Finally, even individual clothes in our household are never more than seven or eight pairs, and the kids are no exception.

The expenses mostly are on food, books, subscriptions, donations, little monetary help now and then, medical needs and other such essential needs. What do we do with the remaining money? If you save money, it will grow like 'sin'. Money must be spent on a good cause. In fact, if money is accumulated at one place beyond need, it means that much money is appropriated and diverted from some critical needs elsewhere! Pile up more money after learning all this from Marx's '*Capital*'? This is one way to get rid of the excess money. The way of incurring losses through books! Since we have an opportunity, we have been doing this. How can anyone do likewise if there is no opportunity? However, the opportunities present themselves depending on our outlook only. If people do not have obsession for silk saris, ornaments, celebrations, and unnecessary luxury items, it should

be possible to save money out of the salaries of intellectual labourers. Our publications will continue as long as possible. Perhaps, until our folks lose their jobs. At least two of the three jobs are not likely to be lost, though it can't be said about the third one.

Let us look at the price of the book again. One must get a brilliant question here on the mercantile commission. Isn't the mercantile commission an integral component of the value of the commodity? In this example, 50 rupees are the mercantile commission for a book, isn't it? How and through whom this value of 50 was added to the making of the book? We have paid off the value of the paper, printing, binding and the rest, haven't we? The capitalists selling those commodities will recover the surplus value out of those values, won't they? Then, whose labour is the surplus value of 50 that makes the mercantile commission?

If the production costs of book-making are considered to be 50, all of these costs will not make the surplus value. The component of means of production will also be a part of making of the book. However, all of the mercantile commission, considered as 50, is totally the surplus value. From which workers did so much surplus value come from? From the workers of composing? Workers of printing? Workers of binding?

The surplus value must come out of living labour only. The commission too is a component that comes out of living labour. That means, the 50 that embodies the commission in this example, too, belongs to the workers who performed various kinds of labour for this book! We must take into account all kinds of labour performed: beginning with the person who performed the labour of writing the book to the person who finally performed the labour of binding the book. This 50 surplus value has come out of various types of labour performed at all these places. This 50 surplus value also must be handed over to those people who performed the various jobs in making the book.

Let us suppose that 10 Rupees must be paid

towards the printing costs of a book. The capitalist gets a surplus value out of this too. However, this is not all the surplus value produced here. A part of the 50 that embodies the mercantile commission belongs to the printing labour. Likewise, a part belongs to the binding labour. A part belongs to the labour of the person who did the writing. This way, the mercantile commission is one that is made of different components of the sum of labours taken together.

That means, the profit that the printing capitalist got for the printing work does not constitute 'total surplus value'. Though the printing capitalist did not get the entire surplus value, he won't incur any loss. It is a loss to the workers. Same is the case with other kinds of labour too. If it does not happen that way everywhere, it is not possible for mercantile commission to form.

The merchant who takes the commission will not appropriate this amount all by himself. When other merchants buy the commodities from him, he will give the commodities to them with a certain amount of commission. This way, the 50% commission will be distributed among a few merchants. They will invest the mercantile costs from this commission and keep the profits eventually. (*In previous lessons, we did not discuss in great detail the question of 'from whose labour does the mercantile commission originate'. Hence, the detailed description here*).

When a reader buys a book from a shop, the book will be available at its original price. If the reader orders the same book by post, the transport costs will be added to the actual price.

Would it not suffice if the printed books are supplied to the libraries and people's organizations without the intermediary sales? Doesn't 'surplus value' mean surplus production? If there are no sales, the entire production lost as commission will be handed over to the people who performed labour. Just think how much production in the society as a whole is lost in the name of mercantile commission!

Let us imagine a world with no sales and commissions! Let us learn to imagine! Until that time, all this will continue!

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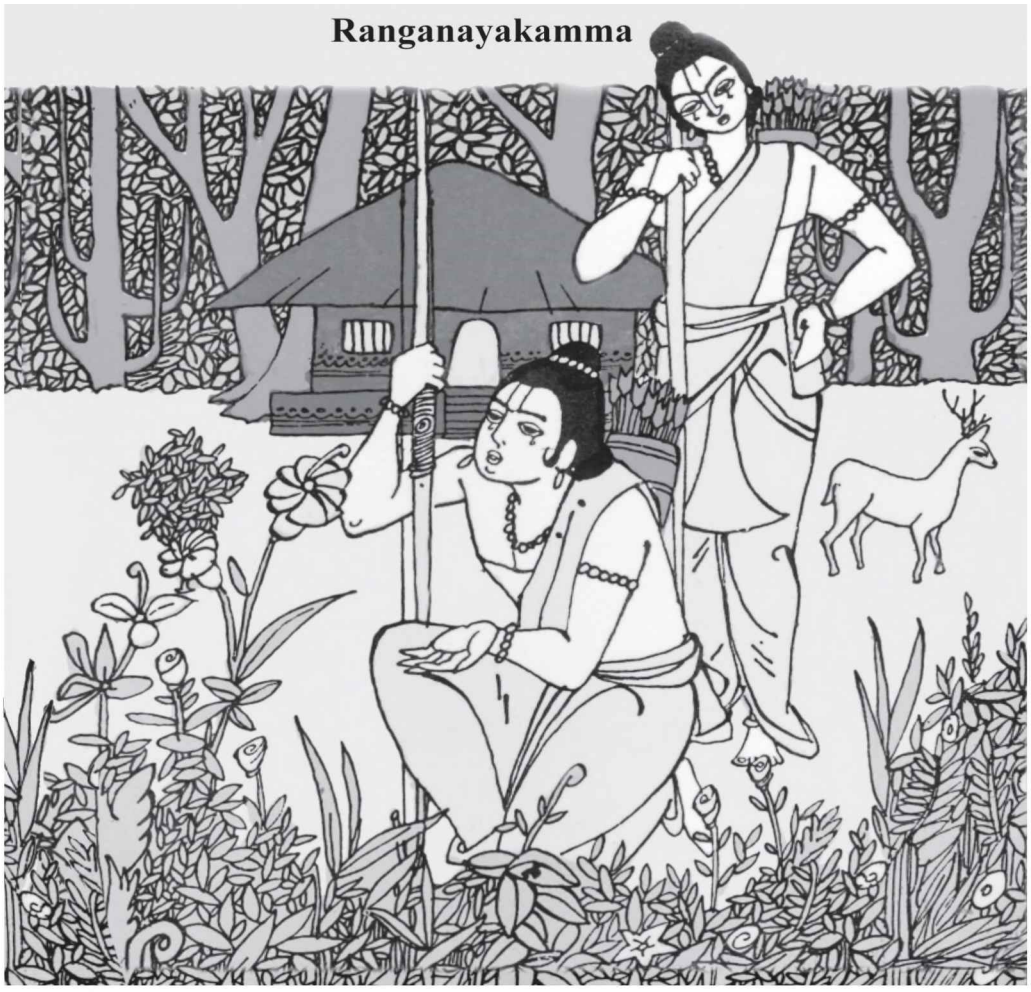
RAMAYANA
The Poisonous Tree

[Stories, Essays and Foot-Notes]

Ranganayakamma

RAMAYANAThe Poisonous Tree



For the solution
of the 'Caste' question

Buddha is not enough

Ambedkar is not enough either

Marx is a Must

Ranganayakamma

HOUSE WORK AND OUTSIDE WORK

Have to look for 'fruits' in the 'trees'!
For 'fish' in the 'water' !
for 'equality' - in the 'labour relation' !
This is a 'social law' as definite as the 'law of nature' !

RANGANAYAKAMMA